

October 19, 2009

Hon. Edmund G. Brown Jr.
Attorney General
1300 I Street, 17th Floor
Sacramento, California 95814

Attention: Ms. Krystal Paris
Initiative Coordinator

Dear Attorney General Brown:

Pursuant to Elections Code Section 9005, we have reviewed the proposed constitutional initiative related to the California Legislature (A.G. File No. 09-0031).

BACKGROUND

California Has Had a “Full-Time Legislature” for Four Decades. Prior to passage of Proposition 1A by the voters in 1966, the Legislature met in general session (at which all subjects could be considered) in odd-numbered years and in budget session (at which only state budget matters were considered) in even-numbered years. These general and budget sessions prior to 1966 were limited as to duration, and therefore, California had what is known as a “part-time” Legislature. In 1966, Proposition 1A amended the State Constitution to allow the Legislature to meet in annual general sessions, which were less restricted as to their duration and as to the subjects that could be considered. This created what is known as a full-time Legislature.

Currently, Legislature Meets Regularly for Most of the Year. Today, the Legislature can convene its regular sessions throughout the year, with some restrictions on the types of bills it can pass at certain times. In most years, the Legislature meets regularly from January through August or September. The Legislature also may hold hearings when it is out of session.

Legislative Expenses Limited by the Constitution. Currently, overall legislative expenses are restricted by the Constitution and can grow annually by a combination of inflation and population adjustments. The 2009-10 budget, as amended in July 2009, allows the Senate and the Assembly to spend a combined \$261 million of state funds for legislative expenses during the current 2009-10 fiscal year.

Legislative Salaries and Benefits Mainly Set by Independent Commission. Proposition 112—approved by voters in June 1990—amended the Constitution to create the California Citizens Compensation Commission (commission). The commission includes seven members appointed by the Governor, none of whom can be a current or former state officer or employee. The commission has control over legislators' salaries and some benefits received by legislators. (In total, legislators' salaries and benefits equal about 10 percent of the annual budget of the Legislature.) Among the factors the commission must consider when adjusting the salary and certain benefits of legislators is the amount of time that they require to perform official duties, functions, and services.

The commission last voted to adjust legislators' and other state elected officials' salaries on May 20, 2009. At that time, the commission voted to decrease legislators' salaries by 18 percent for their terms that begin after December 6, 2009. Pursuant to this action, nearly all Senators and Assembly Members will be eligible to earn \$95,291 per year. (Eight legislative leaders earn more than this amount. For example, under the commission's May 2009 action, the Speaker of the Assembly and the President pro Tempore of the Senate each will be eligible to earn \$109,584 per year.)

PROPOSAL

Part-Time Legislature

Proposal Would Make the Legislature Part-Time. This measure would amend the Constitution to limit when the Legislature could hold sessions. Specifically, the Legislature would be limited each year to holding regular sessions in (1) a 30-day period beginning on the first Monday in January and (2) a 60-day period beginning on the first Monday in May. In addition, the Legislature would be allowed to reconvene for up to five additional days to reconsider bills that were vetoed by the Governor. Accordingly, regular sessions of the Legislature would be limited to no more than 95 days per year. These sessions would be shortened beginning with the Legislature's 2013-14 regular session. The Legislature could continue to hold hearings when it is out of session.

Special Sessions Could Result in Additional Legislative Work Days. Special sessions of the Legislature are called by the Governor to address specific topics. These would not be limited by the measure.

Legislators' Salaries

Commission Required to Reduce Salaries. The measure would require the commission to reduce the annual salaries of legislators by at least 50 percent once the regular sessions of the Legislature are shortened.

Changes to the Commission's Powers. The measure would change the commission's powers after the date that it reduces legislators' salaries by 50 percent. Currently, the Constitution requires the commission to consider various factors when adjusting the annual salaries of legislators. Under this measure, the commission would have the ability "at its discretion" to reduce legislators' salaries by any amount it sees fit. The measure also states that after the 50 percent salary reduction, the commission "may increase the annual salary of Members of the Legislature to account for any increase in the cost of living."

FISCAL EFFECT

Decrease in Costs for Legislators' Salaries. Assuming that the commission does not adjust legislative salaries further between now and the date this measure might take effect, this proposal would reduce the annual salaries of each Senator and Assembly Member by at least \$47,645 per year. Consequently, the measure would reduce state costs for salaries of Senators and Assembly Members by over \$5.7 million annually.

Potential Decrease in Other Legislative Costs. The measure may result in decreases in other legislative costs depending on future actions of the Legislature and the Governor. By limiting the lengths of legislative sessions, the measure could result in the Legislature and the Governor acting to change various types of legislative expenses. For example, savings could result from reduced staff and operating expenses due to the limited number of days the Legislature could be in regular session. Potential state savings from all of these changes could total tens of millions of dollars per year.

Net Savings Dependent on Future Actions of Legislature and Governor. Under current provisions of the Constitution, any savings resulting from this measure (such as the reduced costs for Senator and Assembly Member salaries) would be available—if approved by the Legislature and the Governor in the annual budget act—for other legislative expenditures, including costs for legislative staff and constituent services. Accordingly, the net amount of savings, if any, that would result from this measure is unknown and would depend on future actions of the Legislature and the Governor.

Summary of Fiscal Effect

The measure would have the following fiscal effect:

- Potential reduction in state costs of tens of millions of dollars per year, including over \$5.7 million in reduced annual costs for legislator salaries. Actual reduction, if any, would depend on future actions of the Legislature and the Governor.

Sincerely,

Mac Taylor
Legislative Analyst

Michael C. Genest
Director of Finance