

STATEMENT TO THE SENATE AND ASSEMBLY JUDICIARY COMMITTEES

MAY 4, 1984

LEGISLATIVE ANALYST
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STATEMENT TO THE SENATE AND ASSEMBLY JUDICIARY COMMITTEES
LOS ANGELES, CALIFORNIA

I. INTRODUCTION

- A. I AM YOUR NON-PARTISAN LEGISLATIVE ANALYST.
- B. I AM ALSO THE AUTHOR OF THE ANALYSIS OF PROPOSITION 24 CONTAINED IN THE CALIFORNIA VOTERS PAMPHLET. THIS ANALYSIS WAS PREPARED PURSUANT TO SECTION 88003 OF THE GOVERNMENT CODE WHICH REQUIRES THE LEGISLATIVE ANALYST TO PREPARE AN IMPARTIAL ANALYSIS OF EACH MEASURE ON THE STATEWIDE BALLOT.
- C. AS YOUR NON-PARTISAN EMPLOYEE, I DO MY LEVEL BEST TO STEER CLEAR OF PARTISAN ISSUES.
- D. AS THE ONE REQUIRED TO PREPARE AN IMPARTIAL ANALYSIS OF BALLOT MEASURES,
 - 1. I DO NOT TAKE POSITIONS ON ANY SUCH MEASURES, AND
 - 2. I DO MY BEST TO AVOID LEANING IN ONE DIRECTION OR ANOTHER.
- E. I TELL YOU THIS SO THAT IN THE EVENT MY COMMENTS OR RESPONSES TO YOUR QUESTIONS COME ACROSS AS PRAISING OR CRITICIZING PROPOSITION 24, YOU WILL KNOW THAT THESE COMMENTS ARE NOT INTENDED TO DO THIS.

II. PURPOSE OF MY REMARKS

- A. RESPOND TO QUESTIONS ADDRESSED TO ME BY THE TWO CHAIRMAN.
- B. IF THE COMMITTEE WISHES, I WOULD ALSO LIKE TO OFFER ONE COMMENT ON THE FISCAL EFFECTS OF THE MEASURE BEYOND 1984-85.

III. RESPONSE TO QUESTIONS

- A. GROWTH IN LEGISLATIVE EXPENDITURES, RELATIVE TO THE GROWTH IN THE GENERAL FUND.

- B. GROWTH IN LEGISLATIVE EXPENDITURES, RELATIVE TO THE GROWTH IN SPENDING BY THE GOVERNOR'S OFFICE.
- C. BASIS FOR OUR ESTIMATE THAT THE EFFECT OF PROPOSITION 24 IN 1984-85 WOULD BE A REDUCTION IN LEGISLATIVE SPENDING OF UP TO \$37 MILLION.

IV. OUTYEAR IMPACT

A. LIMITATION IN ARTICLE 9934

- 1. APPROPRIATIONS IN SUPPORT OF THE LEGISLATURE CANNOT EXCEED LEGISLATIVE SPENDING IN THE PRIOR YEAR BY MORE THAN THE GROWTH IN GENERAL FUND SPENDING DURING THE PRIOR YEAR.

- B. SIMILAR TO THE APPROPRIATION LIMITATION CONTAINED IN ARTICLE XIIIIB OF THE STATE CONSTITUTION, WHICH WAS ALSO SPONSORED BY MR. PAUL GANN.

C. BIG DIFFERENCE

- 1. UNDER ARTICLE XIIIIB, THE APPROPRIATIONS LIMIT GROWS AT A SPECIFIED RATE, REGARDLESS OF HOW MUCH THE STATE ACTUALLY SPENDS.
 - a. THUS, IF THE LEGISLATURE DOES NOT APPROPRIATE THE FULL AMOUNT ALLOWED BY THE LIMIT, IT WOULD NOT CAUSE THE LIMIT TO BE ANY LOWER IN SUBSEQUENT YEARS.
- 2. IN CONTRAST, THE APPROPRIATIONS LIMIT CONTAINED IN PROPOSITION 24 IS BASED ON LEGISLATIVE SPENDING DURING THE PRIOR YEAR--NOT ON THE PRIOR YEAR'S LIMIT.
 - a. THUS, IF THE LEGISLATURE WERE TO APPROPRIATE LESS THAN THE AMOUNT AUTHORIZED BY ARTICLE 9934, IN DOING SO IT

WOULD CAUSE THE APPROPRIATIONS LIMIT FOR ALL SUBSEQUENT YEARS TO BE REDUCED ACCORDINGLY.

- b. SIMILARLY, IF THE LEGISLATURE FAILED TO SPEND THE FULL AMOUNT APPROPRIATED FOR SUPPORT OF THE LEGISLATURE IN ANY YEAR, THE SHORTFALL WOULD BE TRANSLATED--DOLLAR FOR DOLLAR-- INTO A LOWER APPROPRIATIONS LIMIT FOR THE NEXT YEAR.

D. IMPLICATIONS-TWOFOLD

1. WOULD BE VERY DIFFICULT FOR LEGISLATIVE SPENDING TO KEEP PACE WITH GENERAL FUND SPENDING, NOTWITHSTANDING THE PURPOSE OF THE MEASURE AS EXPRESSED IN ARTICLE 9002, SUBSECTION (a).
2. THE MEASURE WOULD CREATE AN INCENTIVE FOR THE LEGISLATURE TO APPROPRIATE UP TO THE LIMIT EACH YEAR, AND TO ASSURE THAT AT MIDNIGHT OF EACH JUNE 30, NO APPROPRIATED FUNDS REMAINED UNSPENT.