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June 30, 1998

Hon. Daniel E. Lungren
Attorney General
1300 I Street, 17th Floor
Sacramento, California 95814

Attention: Ms. Connie Lemus
Initiative Coordinator

Dear Attorney General Lungren:

Pursuant to Elections Code Section 9005, we have reviewed the proposed initiative constitutional amendment relating to enactment of the state budget (File No. SA 98 RF 0016). This measure provides that, if a balanced state budget is not enacted by June 15th each year, the Governor, Lieutenant Governor, and Members of the Legislature (1) must forfeit one year's salary and (2) may not run for reelection or for another public office for four years after their terms end.

Fiscal Effect

To the extent that a balanced state budget is not signed by June 15th each year, the measure would result in savings to the state from the forfeited salaries. The Citizens Compensation Commission, which sets salaries for state elected officials, has recently established new salaries that will take effect on December 1, 1998. Based on those salaries, the savings would be about \$12.2 million. To the extent the commission increases salaries in the future, the savings could be greater. On the other hand, to the extent that the officials cited in the measure do not hold office for an entire year following the June 15th deadline, the savings would be less.

Sincerely,

Elizabeth G. Hill
Legislative Analyst

Craig L. Brown
Director of Finance