

Measure S403

INSTRUCTIONS:

Please carefully read the following description of a ballot measure that was written by a disinterested expert. Feel free to take notes or outline passages as you read.

This should take approximately 5 minutes.

BALLOT MEASURE S403

BACKGROUND

Currently, the state and local governments have discretion in setting the salaries and fringe benefits of elected officials and public employees. These governments set the salaries of elected officials such as the Governor, judges and city council members), and the salaries may be increased without voter approval. For public employees, state and local governments can pay the amounts necessary to attract and retain qualified persons. With regard to fringe benefits, virtually all public employees earn vacation and sick leave, and governments allow most of them to carry over at least some portion of unused leave from year to year.

State and local governments may contract with individuals for services. While the law places some restrictions on the kinds of services governments may provide through contracts, generally there are no specific limitations on either the amount or length of contracts.

PROPOSAL

This constitutional amendment changes substantially the laws governing compensation for state and local elected officials and employees. It also places restrictions on contracting that affect both state and local governments. The proposed amendment, however, contains many phrases which are either unclear or subject to different interpretations. Consequently, this analysis is based on assumptions about how the courts would interpret the initiative.

The main provisions of this measure are as follows:

Elected Officials. This measure increases the Governor's annual salary from \$49,100 to \$80,000 and adds a new provision requiring that the voters approve any future increases. (Under existing law, this salary would have increased to \$85,000 on January 5, 1987.) The initiative also sets an annual salary of \$52,500 for all other constitutional officers (such as the State Treasurer and Controller) and members of the Board of Equalization. (Under existing law, these salaries also would have increased in the coming year.)

In addition, the measure limits the salaries of all other state and local elected officials to 80 percent of the Governor's salary. On November 5, 1986, this limit would be \$64,000. In the future,

these salaries could be increased only with the voters' approval, but the new salaries still could not exceed 80 percent of the Governor's salary. The measure provides one exception to this limit by allowing local voters, through an initiative, to approve salaries for local officials (elected or appointed) which exceed the limit.

State and Local Government Employees. This initiative also limits the pay of all state and local government employees to 80 percent of the Governor's salary. The measure uses both the terms "compensation" and "salary." "Compensation" typically includes salary plus employer payments for health, retirement and other benefits. The courts, however, probably would interpret this pay provision as a salary limit. If so, the highest allowable salary for any public employee would be frozen at \$64,000 until the people voted to increase the Governor's salary. If, however, the courts were to interpret this measure as placing a limit on "compensation" (which would include fringe benefits), the highest allowable salary would be frozen at about the \$50,000 level.

The initiative would not allow public employees to carry over unused vacation and sick leave from one calendar year to another. It is unclear, however, whether this restriction would apply only to leave earned in the future or whether it also would apply to leave earned prior to this election. Given that the law generally protects an employee's right to already earned benefits, the courts probably would interpret this restriction as applying only to future vacation and sick leave.

State and Local Government Contracts. The initiative prohibits public agencies from paying individuals under contract more than 80 percent of the Governor's annual salary. In addition, these individuals could not receive compensation greater than \$75 per hour, nor could their contracts exceed two years in length. Under "special circumstances," the Legislature could approve—by a two-thirds vote—state contracts for individuals which provide compensation in excess of the limit, as long as the contracts did not exceed four years in length. The measure does not define "special circumstances," and does not allow this provision to be used by local governments.



STOP!

Please go to the online survey, enter the 4-character code for this ballot measure (printed at the top and bottom of this page) and answer the survey questions.