

Measure E293

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 E293

FIGURE 1

PROVISIONS OF PROPOSITION

✓ Votes on State Budget-Related Taxes and Spending

- Permits Legislature to enact with 55 percent vote rather than the two-thirds vote currently required.

✓ Reserve Requirements

- Requires 25 percent of "excess" state revenue (up to 5 percent of General Fund spending) to be set aside.
- Reserve funds could be spent only in certain circumstances.

✓ Consequences of Late Budget

- Requires that Legislature and Governor lose salary and expenses each day the budget is late.
- Requires the Legislature stay in session until budget is passed.

✓ Other Provisions

- Requires budget summary in state ballot pamphlet and directions to an Internet Web site providing budget-related vote information.
- Prohibits a legislator from punishing or threatening to punish another legislator for a budget-related vote.

BACKGROUND

The state budget bill provides the annual funding for most state government programs. Before the budget bill is sent to the Governor for approval, it must be passed by a two-thirds vote (67 percent) of each house of the Legislature. The State Constitution requires legislative passage of the budget bill by June 15 of each year. (It does not, however, provide a deadline for the Legislature and Governor to come to final agreement on the budget bill.)

The State Constitution also requires a two-thirds vote of each house of the Legislature for the passage of bills that increase taxes. These types of bills take effect immediately. Other types of bills--including bills reducing taxes or spending--can be passed with a majority (over 50 percent) vote and take effect on January 1 of the following year.

The budget typically includes money set aside for unexpected events, such as revenue shortfalls or emergencies. These funds are placed into a reserve or "rainy day" fund. Currently, the Legislature and Governor can choose each year how much money to put into this fund.

PROPOSAL

This measure amends both the state's Constitution and statutes to change the state budget process. Figure 1 summarizes the main provisions of the proposition.

Votes on State Budget-Related Taxes and Spending. This measure reduces from two-thirds to 55 percent the number of votes required to pass the budget bill and other bills--including tax increase measures--related to the budget bill. These budget-related bills would take effect immediately

upon passage.

Reserve Requirements. This measure establishes minimum requirements for putting money into and taking money out of the state reserve fund. Under the measure, funds would be added to the reserve in any year in which state revenues exceeded what was needed for "current service levels." (This term refers to the amount needed to fund existing state programs, adjusted each year for population changes and inflation. Annual revenues above this amount could be considered "excess revenues.") Specifically, the measure requires the Legislature to put in the reserve at least 25 percent of any excess revenues, until the reserve reaches 5 percent of prior-year spending (currently a reserve amount of almost \$4 billion). The measure does not restrict the use of the remaining excess revenues. Reserve funds could only be spent in cases of an emergency or in years in which spending on current service levels exceeded available revenues.

Consequences of Late Budget. This measure prohibits the Legislature and the Governor from collecting their salaries and expenses when the budget is late. Lost salaries and expenses could not be paid back later. In addition, the measure requires the Legislature to stay in session until the budget is approved.

Other Provisions. The measure also includes the following provisions:

- **Ballot Pamphlet Budget Summary.** The measure requires the State Controller to prepare a budget summary to be included in the ballot pamphlet provided to voters at every statewide election. This summary would include directions to an Internet Web site that includes voting records of legislators on budget-related bills.
- **Punishment of Legislators.** The measure prohibits a legislator from punishing or threatening to punish another legislator for a vote related to the budget.



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.