

Date: February 1, 2010
Initiative 09-0098

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

CHANGES STATE BUDGET PROCESS IN SEVERAL WAYS. INITIATIVE

CONSTITUTIONAL AMENDMENT AND STATUTE. Changes legislative vote

requirement necessary to pass state budget from two-thirds to a simple majority. Retains two-thirds vote requirement to raise taxes. Prohibits Legislature from creating expenditures of more than \$25 million unless offsetting revenues or spending cuts are identified. Limits use of onetime revenues to onetime expenditures. Requires Legislators to forfeit salary and expense reimbursement each day budget is late. Requires Governor to prepare two-year budgets. Permits Governor to cut budget unilaterally during fiscal emergencies if Legislature fails to act. Requires performance reviews of all state programs. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Direct increases in state spending—potentially tens of millions of dollars per year—to administer new budgeting process requirements. Potentially significant, but unknown, indirect fiscal effects for the state. Over time, these could include lower annual spending for ongoing state-funded programs and higher one-time expenditures (such as for infrastructure projects, debt reduction, or temporary tax relief).** (09-0098.)