



**Proposition 1F
May 2009 Ballot**

Title: Elected Officials' Salaries. Prevents Pay Increases During Budget Deficit Years

Sponsor: Senator Abel Maldonado

Legislative History: **SCA 8** (Maldonado) was approved by an 80-0 vote in the Assembly and by a 39-0 vote in the Senate, both on February 19.

Major Provisions:

Proposition 1F prohibits the California Citizens Compensation Commission from increasing the salary of any officer if the Director of Finance determines by June 1, based on General Fund revenues and expenditures, that there will be a negative balance at the end of the current year in the Special Fund for Economic Uncertainties of greater than 1 percent of General Fund revenues.

Background:

This is one of the measures that made it possible for Senator Maldonado to vote for the budget package.

Fiscal Impact:

Could be some savings from foregone salary increases.

Policy Considerations:

Should legislators be rewarded with a pay increase if they can't balance the state's books?

Cal-Tax Recommendation:

Support. Even though this allows up to a 1 percent deficit, without punishment, it sends a message. It likely encourages the Legislature to make mid-year budget corrections to avoid this outcome.

Ballot Title and Summary:

ELECTED OFFICIALS' SALARIES. PREVENTS PAY INCREASES DURING BUDGET DEFICIT YEARS. Encourages balanced state budgets by preventing elected Members of the Legislature and statewide constitutional officers, including the Governor, from receiving pay raises in years when the state is running a deficit. Directs the Director of

Finance to determine whether a given year is a deficit year. Prevents the Citizens Compensation Commission from increasing elected officials' salaries in years when the state Special Fund for Economic Uncertainties is in the negative by an amount equal to or greater than one percent of the General Fund.