

STATE BUDGET: 'NO BUDGET, NO PAY,' CONTROLLER TELLS LEGISLATORS

Controller John Chiang announced June 2 that if the Legislature does not pass a budget by June 15, he will permanently withhold legislators' pay and per diem for the period after June 15 until the budget is passed.

In response to recent questions regarding the impact of Proposition 25, Mr. Chiang said: "Presenting the governor with a balanced budget by the constitutional deadline is the most important, if not most difficult, job of the California Legislature. In passing Proposition 25 last November, voters clearly stated they expect their representatives to make the difficult decisions need to resolve any budget shortfalls by the mandatory deadline, or be penalized. I will enforce the voters' demand."

Questions have been raised regarding whether lawmakers met the Proposition 25 deadline when they approved budget bills in March, or whether the budget passed by the Legislature had to be a balanced one. The main budget bill approved by both houses in March is not balanced, and has not been sent to the governor for his signature or veto.

An opinion from the legislative counsel argued that that March action was enough to qualify lawmakers to continue being paid even if a new, balanced budget plan is not approved by June 15. However, the controller's analysis of these issues concludes, "Proposition 25 cannot be read in a vacuum, and must take into account the provisions of Proposition 58 (passed by voters on March 2, 2004), the intent language found in Proposition 25, and the voter information and campaign materials upon which the voters relied."

Proposition 58 states: "[T]he Legislature may not send to the Governor for consideration, nor may the Governor sign into law, a budget bill that would appropriate from the General Fund, for that fiscal year, a total amount that ... exceeds General Fund revenues for that fiscal year estimated as of the date of the budget bill's passage."

Because Proposition 58 and Proposition 25 overlap in the same section of the constitution and address the same topic, they must be read together. A copy of the controller's full legal analysis can be found [here](#).

At the close of the Senate's June 2 floor session, Senate President Pro Tem Darrell Steinberg indicated that he hopes to meet the June 15 deadline. He told his colleagues to clear their calendars from June 8 through June 15 – including the weekend – so they will be available for budget votes.