

## Controller Announces No Pay for Legislators Absent Balanced Budget by June 15 Deadline



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**SACRAMENTO** – In response to recent questions regarding the impact of Proposition 25, Controller John Chiang today announced he will permanently withhold Legislators' salary and per diem beginning on June 16 if they fail to approve a balanced budget in the next two weeks.

"Presenting the Governor with a balanced budget by the Constitutional deadline is the most important, if not most difficult, job of the California Legislature," Chiang said. "In passing Proposition 25 last November, voters clearly stated they expect their representatives to make the difficult decisions needed to resolve any budget shortfalls by the mandatory deadline, or be penalized. I will enforce the voters' demand."

Proposition 25, titled the "On-Time Budget Act of 2010," was approved by voters November 2, 2010. The initiative lowered the vote requirement for passing a budget from two-thirds to a simple majority. It also required members of the Legislature to forfeit their salary and reimbursement for travel and living expenses incurred from June 16 until "the day that the budget bill is presented to the Governor." Payments forfeited will not be paid retroactively.

Recently, questions have been raised regarding whether the budget passed by the Legislature had to be balanced, or if the budget bills passed in March would suffice. 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 Propositions 58 and 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](#) .

