

August 1, 2006

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INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

The Honorable Bill Lockyer
Attorney General, State of California
Office of the Attorney General
ATTN: Initiative Coordinator
1300 I Street
Sacramento, California 95814

Dear General Lockyer:

Pursuant to Elections Code §9002, I hereby request that your office prepare a title and summary of the chief purpose and points of the attached proposed initiative measure. I am registered to vote in the State of California at the address provided on the separate attachment. Included is my check for \$200 as required by §9002.

Thank you.



Richard Rider

Section 1. STATEMENT OF FINDINGS

- (a) The current system used to reimburse Members of the Legislature for the expense of maintaining a secondary residence in the Sacramento metropolitan area fails to establish a direct link between the actual costs incurred and the payments made.
- (b) The practice of making per-diem payments to Members of the Legislature also distorts the legislative calendar and compels the scheduling of "check-in" and other non-productive legislative sessions in the Assembly and Senate for the sole purpose of obtaining per-diem payments.
- (c) The use of per-diem payments works to undermine the authority and process of the California Citizens Compensation Commission. The regular and ordinary payment of per diem to Members of the Legislature without any reference to the actual expenses that a Member has incurred has effectively transformed per diem into ordinary income that is set outside the purview of the Compensation Commission.

Section 2. STATEMENT OF PURPOSE

- (a) All income paid to Members of the Legislature shall be set and recommended by the California Citizens Compensation Commission.
- (b) Members of the Legislature shall be eligible for reimbursement for the costs of travel and of maintaining a secondary residence in the Sacramento metropolitan area during the legislative session for the purposes of carrying out official duties.
- (c) Members of the Legislature shall not receive per-diem or any other type of expense payments not explicitly authorized in Article III or Article IV of the state constitution.
- (d) The citizens of California shall approve any change in the salary and benefits paid to state officers that the California Citizens Compensation Commission recommends.

Section 3. AMENDMENT TO THE CALIFORNIA CONSTITUTION

Section 8 of Article III of the State Constitution is amended to read:

SEC. 8. (a) The California Citizens Compensation Commission is hereby created and shall consist of seven members appointed by the Governor. The commission shall establish the annual salary and the medical, dental, insurance, and other similar benefits of state officers.

(b) The commission shall consist of the following persons:

(1) Three public members, one of whom has expertise in the area of compensation, such as an economist, market researcher, or personnel manager; one of whom is a member of a nonprofit public interest organization; and one of whom is representative of the general population and may include, among others, a retiree, homemaker, or person of median income. No person appointed pursuant to this paragraph may, during the 12 months prior to his or her appointment, have held public office, either elective or appointive, have been a candidate for elective public office, or have been a lobbyist, as defined by the Political Reform Act of 1974.

(2) Two members who have experience in the business community, one of whom is an executive of a corporation incorporated in this State which ranks among the largest

private sector employers in the State based on the number of employees employed by the corporation in this State and one of whom is an owner of a small business in this State.

(3) Two members, each of whom is an officer or member of a labor organization.

(c) The Governor shall strive insofar as practicable to provide a balanced representation of the geographic, gender, racial, and ethnic diversity of the State in appointing commission members.

(d) The Governor shall appoint commission members and designate a chairperson for the commission not later than 30 days after the effective date of this section. The terms of two of the initial appointees shall expire on December 31, 1992, two on December 31, 1994, and three on December 31, 1996, as determined by the Governor. Thereafter, the term of each member shall be six years. Within 15 days of any vacancy, the Governor shall appoint a person to serve the unexpired portion of the term.

(e) No current or former officer or employee of this State is eligible for appointment to the commission.

(f) Public notice shall be given of all meetings of the commission, and the meetings shall be open to the public.

(g) On or before December 3, 1990, the commission shall, by a single resolution adopted by a majority of the membership of the commission, establish the annual salary and the medical, dental, insurance, and other similar benefits of state officers. The annual salary and benefits specified in that resolution shall be effective on and after December 3, 1990.

On or before June 30, 2008, the commission shall, by a single resolution adopted by a majority of the membership of the commission, establish the monthly housing allowance that a Member of the Legislature may receive as reimbursement for the actual rental or mortgage costs incurred in maintaining a secondary residence in the Sacramento metropolitan area during the legislative session for the purposes of carrying out his or her official duties. In no event shall this housing allowance exceed the median monthly rental cost for a single-family home in the Sacramento metropolitan area. The commission shall consult both governmental and reputable private housing agencies to determine the median monthly rental cost. The monthly housing allowance specified in that resolution shall become effective immediately and Members of the Legislature will be eligible for reimbursement of accrued rental or mortgage costs, without interest, retroactive to the effective date of this provision.

Thereafter, at or before the end of each fiscal year on or before June 30th of each even-numbered year, the commission shall, by a single resolution adopted by a majority of the membership of the commission, adjust the annual salary and the medical, dental, insurance, and other similar benefits of state officers. The annual salary and benefits specified in the resolution shall be effective on and after the first Monday of the next December submitted to the voters at the next regularly scheduled statewide election and shall become effective only upon approval by the voters. The commission may, on or before June 30th of each even-numbered year, by a separate resolution adopted by a majority of the membership of the commission, adjust the monthly housing allowance given to a Member of the Legislature provided that in no event shall this housing allowance exceed the median monthly rental cost for a single-family home in the Sacramento metropolitan area. The housing allowance specified in the resolution shall be effective on and after the first Monday of the next December.

(h) In establishing or adjusting the annual salary and the medical, dental, insurance, and other similar benefits, the commission shall consider all of the following:

(1) The amount of time directly or indirectly related to the performance of the duties, functions, and services of a state officer.

(2) The amount of the annual salary and the medical, dental, insurance, and other similar benefits for other elected and appointed officers and officials in this State with comparable responsibilities, the judiciary, and, to the extent practicable, the private sector, recognizing, however, that state officers do not receive, and do not expect to receive, compensation at the same levels as individuals in the private sector with comparable experience and responsibilities.

(3) The responsibility and scope of authority of the entity in which the state officer serves.

(i) Until a resolution establishing or adjusting the annual salary and the medical, dental, insurance, and other similar benefits for state officers takes effect, each state officer shall continue to receive the same annual salary and the medical, dental, insurance, and other similar benefits received previously.

(j) All commission members shall receive their actual and necessary expenses, including travel expenses, incurred in the performance of their duties. Each member shall be compensated at the same rate as members, other than the chairperson, of the Fair Political Practices Commission, or its successor, for each day engaged in official duties, not to exceed 45 days per year.

(k) It is the intent of the Legislature that the creation of the commission should not generate new state costs for staff and services. The Department of Personnel Administration, the Board of Administration of the Public Employees' Retirement System, or other appropriate agencies, or their successors, shall furnish, from existing resources, staff and services to the commission as needed for the performance of its duties.

(l) "State officer," as used in this section, means the Governor, Lieutenant Governor, Attorney General, Controller, Insurance Commissioner, Secretary of State, Superintendent of Public Instruction, Treasurer, member of the State Board of Equalization, and Member of the Legislature.

Section 4 of Article IV of the State Constitution is amended to read:

SEC. 4. (a) To eliminate any appearance of a conflict with the proper discharge of his or her duties and responsibilities, no Member of the Legislature may knowingly receive any salary, wages, commissions, or other similar earned income from a lobbyist or lobbying firm, as defined by the Political Reform Act of 1974, or from a person who, during the previous 12 months, has been under a contract with the Legislature. The Legislature shall enact laws that define earned income. However, earned income does not include any community property interest in the income of a spouse. Any Member who knowingly receives any salary, wages, commissions, or other similar earned income from a lobbyist employer, as defined by the Political Reform Act of 1974, may not, for a period of one year following its receipt, vote upon or make, participate in making, or in any way attempt to use his or her official position to influence an action or decision before the Legislature, other than an action or decision involving a bill described in subdivision (c)

of Section 12 of this article, which he or she knows, or has reason to know, would have a direct and significant financial impact on the lobbyist employer and would not impact the public generally or a significant segment of the public in a similar manner. As used in this subdivision, "public generally" includes an industry, trade, or profession.

(b) ~~Travel and living~~ expenses for Members of the Legislature in connection with their official duties shall be prescribed by statute passed by rollcall vote entered in the journal, two-thirds of the membership of each house concurring. A Member may not receive ~~travel and living~~ expenses during the times that the Legislature is in recess for more than three calendar days, unless the Member is traveling to or from, or is in attendance at, any meeting of a committee of which he or she is a member, or a meeting, conference, or other legislative function or responsibility as authorized by the rules of the house of which he or she is a member, which is held at a location at least 20 miles from his or her place of residence.

(c) A Member of the Legislature shall be entitled to receive reimbursement for actual rental or mortgage payments made in the course of maintaining a secondary residence in the Sacramento metropolitan area during the legislative session for the purposes of carrying out his or her official duties. These reimbursements shall be made only upon the Member presenting to the rules committee of the house of which he or she is a member actual receipts of payment and shall not exceed the housing allowance calculated under section 8 (g) of Article III of this constitution.

(d) A Member of the Legislature shall not receive any per diem or other expense payments not specified in either Article III or Article IV of this constitution.

(e) The Legislature may not provide retirement benefits based on any portion of a monthly salary in excess of five hundred dollars (\$500) paid to any Member of the Legislature unless the Member receives the greater amount while serving as a Member in the Legislature. The Legislature may, prior to their retirement, limit the retirement benefits payable to Members of the Legislature who serve during or after the term commencing in 1967.

When computing the retirement allowance of a Member who serves in the Legislature during the term commencing in 1967 or later, allowance may be made for increases in cost of living if so provided by statute, but only with respect to increases in the cost of living occurring after retirement of the Member. However, the Legislature may provide that no Member shall be deprived of a cost of living adjustment based on a monthly salary of five hundred dollars (\$500) which has accrued prior to the commencement of the 1967 Regular Session of the Legislature.

Section 4. IMPLEMENTATION AND AMENDMENT

This measure shall be self-executing. No amendment to any provisions of this measure may be made except by a vote of the people pursuant to Article II or Article XVIII.

Section 5. SEVERABILITY

The provisions of these sections are severable. If any provision of these sections or its application is held invalid, that finding shall not affect other provisions or applications that can be given effect without the invalid provision or application.

Section 6. EFFECTIVE DATE

These sections shall become effective on the day following the election pursuant to Section 10(a) of Article II of this constitution.