

## OPSC – California’s Policy Process

**Preface** The process of government by which bills are considered and laws enacted by the California State Legislature is commonly referred to as the legislative process. The California State Legislature is made up of two houses: the Senate and the Assembly. There are 40 Senators and 80 Assembly Members representing the people of the State of California. The Legislature maintains a legislative calendar governing the introduction and processing of the legislative measures during its two-year regular session.

**Idea** All legislation begins as an idea or concept. Ideas and concepts can come from a variety of sources. The process begins when a Senator or Assembly Member decides to author a bill.

**Author** A legislator sends the idea for the bill to the Office of the Legislative Counsel, where it is drafted into bill form. The draft of the bill is returned to the legislator for introduction. If the author is a Senator, the bill is introduced in the Senate. If the author is an Assembly Member, the bill is introduced in the Assembly.

**First Reading/Introduction** A bill is introduced or read the first time when the bill number, the name of the author, and the descriptive title of the bill are read on the floor of the house. The bill is then sent to the Office of State Publishing. No bill except the Budget Bill may be acted upon until 30 days have passed from the date of its introduction.

**Committee Hearings** After introduction, a bill goes to the rules committee of the house, where it is assigned to the appropriate policy committee for its first hearing. Bills are assigned to policy committees according to subject area. For example, a Senate bill dealing with health care facilities would first be assigned to the Senate Health and Human Services Committee for policy review. Bills that require the expenditure of funds must also be heard in the fiscal committees, Senate Appropriations and Assembly Appropriations. Each committee is made up of a specified number of Senators or Assembly Members.

During the committee hearing the author presents the bill to the committee, and testimony may be heard in support or opposition to the bill. The committee then votes on whether to pass the bill out of committee, or that it be passed as amended. Bills may be amended several times. It takes a majority vote of the committee membership for a bill to be passed and sent to the next committee or to the floor.

Each house maintains a schedule of legislative committee hearings. Prior to a bill's hearing, a bill analysis is prepared that explains the intended effect of the bill on current law, together with background information. Typically the analysis also lists organizations that support or oppose the bill.

**Second and Third Reading** Bills passed by committees are read a second time on the floor in the house of origin and then assigned to third reading. Bill analyses are also

prepared prior to third reading. When a bill is read the third time it is explained by the author, discussed by the Members, and voted on by a roll call vote. Bills that require an appropriation, or that take effect immediately, ordinarily require 27 votes in the Senate and 54 votes in the Assembly to be passed. Other bills generally require 21 votes in the Senate and 41 votes in the Assembly. If a bill is defeated, the Member may seek reconsideration and another vote.

**Repeat Process in Other House** Once the bill has been approved by the house of origin it proceeds to the other house where the procedure described above is repeated.

**Resolution of Differences** If a bill is amended in the second house, it must go back to the house of origin for concurrence, meaning agreement on those amendments. If the house of origin does not concur in those amendments, the bill is referred to a two-house conference committee to resolve the differences. Three members of the committee are from the Senate and three are from the Assembly. If a compromise is reached, the bill is returned to both houses for a vote.

**Governor** If both houses approve a bill, it goes to the Governor. The Governor has three choices: sign the bill into law, allow it to become law without his or her signature, or veto it. A governor's veto can be overridden by a two-thirds vote in both houses. Most enacted bills go into effect on the first day of January of the next year. Urgency bills, and certain other measures, take effect immediately after they are enacted into law.

**California Law** Each bill that is passed by the Legislature and approved by the Governor is assigned a chapter number by the Secretary of State. These chaptered bills are statutes, and ordinarily become part of the California Codes. The California Codes are a comprehensive collection of laws grouped by subject matter.

The California Constitution sets forth the fundamental laws by which the State of California is governed. All amendments to the California Constitution come about as a result of constitutional amendments approved by the voters at a statewide election.

## OPSC – California’s Budget Process

**Preface** The budget process for California defies a simple concise definition. It is a process rather than a product. Although the size and complexity of California and the dynamics of the process make it difficult to establish and maintain an orderly process, these very reasons necessitate an orderly formalized process. The following sections summarize the major steps and procedures of California's budget process.

**Budget Development** The State Constitution requires that the Governor submit a budget to the Legislature by January 10. It provides for a balanced budget in that, if the proposed expenditures for the budget year exceed estimated revenues, the Governor is required to recommend the sources for the additional funding. The Department of Finance coordinates the printing of the Governor's Budget package. They are available from the [Department of Finance Website](#).

**Committee Process** The Senate Budget and Fiscal Review Committee and the Assembly Budget Committee are the two committees that hear the Budget Bills. They assign the items in the bill to several subcommittees (by major subject areas such as Education or Health and Human Services) which conduct budget hearings. These hearings generally begin in late February soon after the Legislative Analyst issues the "Analysis of the Budget Bill". The Legislative Analyst is appointed by the Joint Legislative Budget Committee and is charged with providing a nonpartisan analysis and recommendations for changes to the Governor's budget plan.

When a subcommittee completes its actions, it reports its recommendations to the full committee. Upon adoption of the budget by the full committee, a recommendation is made to the Floor (full house). Upon two-thirds vote of the house, the Budget Bill is passed to the other house. A Budget Conference Committee is then appointed to work out differences between the Senate and Assembly versions of the bill. Upon completion of action by the Conference Committee and a two-thirds vote, this conference version is then sent to the two houses for approval.

Sometimes the Conference Committee does not reach final resolution on the budget. This stalemate typically results from non-resolution of a few major issues. These issues are then resolved by the "Leadership" or "Big 5" (Governor, Speaker of the Assembly, President Pro Tempore, and the minority leaders of both houses).

**May Revision** The traditional May Revision adjustments are due by May 14th, and consist of an update of General Fund revenues by the Governor and changes in expenditures for school funding requirements pursuant to Proposition 98, caseload, enrollment, or population. The Legislature typically waits for the May Revision update before final budget decisions are made on major programs such as Education, Corrections, and Health and Human Services.

**Trailer Bills** There are generally budget changes proposed by the Governor or the Legislature which necessitate changes to existing law in order to implement the budget changes. If this is the case, separate bills are introduced to implement the change. These budget implementation bills are called "trailer bills" and are heard concurrently with the Budget Bill

When the Budget Bill receives a majority vote of each house, it is passed on to the Governor. The Constitution allows the Governor to reduce or eliminate an item of appropriation. The Governor has until July 1<sup>st</sup> to sign or veto the budget. The Department of Finance publishes the final budget document

**Budget Enactment** By constitutional requirement, the Governor's Budget must be accompanied by a Budget Bill itemizing recommended expenditures which shall be introduced in each house of the Legislature. The Constitution also requires that the Legislature pass the bill by June 15. In addition, a new law requires that the Legislature pass a balanced budget by June 15<sup>th</sup> or forfeit their pay.



## How a Bill Becomes a Law

