



## CITIZENS FOR CALIFORNIA REFORM (CCR) PROPOSITIONS 1A-1F VOTER GUIDE

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### MAY 19<sup>TH</sup> SPECIAL ELECTION: VOTER GUIDE FOR PROPOSITIONS 1A-1F

The measures are set up as a "family"- all Measure 1, but with alphabetical sub-designations to divide distinct items as Propositions 1-A through 1-F. This listing tends to produce confusion among voters on the various parts of the "family" of propositions, making it more difficult for voters to remember which to favor and which to oppose on a divided ballot.

In this election, California voters are facing a barrage of confusing information in the ballot descriptions. Click here <http://www.voterguide.sos.ca.gov/title-sum/prop1a-title-sum.htm> for the state's official voting information. **Read closely** the ballot description and the Legislative Analyst's Summary. Proponents of these measures called for a May vote hoping for a low voter turnout. Our careful review of these propositions resulted in the following Voter Guide recommendations:

#### **Proposition 1-A: THE "RAINY DAY" BUDGET STABILIZATION FUND - Vote NO TEMPORARY TAX – Extend Enacted Taxes (2009-10 thru 2010-11) to 2012-13 \$16 BILLION ADDITIONAL TAX INCREASE**

VOTE NO. If politicians could be prosecuted for deceptive advertising this little item would land a bunch of Sacramento legislators in big trouble. According to the Secretary of State's Ballot Label for this proposition, the measure would "limit future deficits by increasing the State's 'rainy day' fund," but it would also enact "higher state tax revenues of roughly \$16 billion."

Proposition 1-A is nothing less than the authorization of a massive tax increase to deposit in a state "reserve;" but these additional reserve funds are intended to be spent when state revenues drop below the amount "needed" to fund the government. Those who decide how many dollars are "needed" to fund the government also decide when to spend the reserve. In the end, the State "Rainy Day" reserve is nothing more than another pot of money to cover the deficit without addressing the real problem or having to go to the voters for tax increases.

(See "Fox Guarding the Henhouse"@ <http://www.pvpwatch.com/documents/CCR-FoxGuardingtheHenHouse.pdf> for a more detailed explanation of Prop 1-A).

#### **Proposition 1-B: EDUCATION FUNDING. PAYMENT PLAN – Vote NO**

VOTE NO on this "save now - pay later" proposition. The Secretary of State says, "Potential state savings of up to several billion dollars in 2009-10 and 2010-11. Potential state costs of billions of dollars annually thereafter." It alleges that temporary cuts to education made now will be added back to the education budget later. Actually, taxpayers will receive the bill for the "repayment." Remember, increased income, sales and car taxes have already begun. Prop 1-A proposes to push those tax increases out another 2 years for an ADDITIONAL tax increase of \$16 billion. The increased tax package passed by the Legislature in February for 2009-10 and 2010-11 are in play right now, so the "potential state savings" are current "actual enacted tax increases". No savings, just higher taxes. How can this be temporary if the anticipated revenue is purely from increased taxes without any correction to the state's structural built in deficit spending?

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Passage of Prop 1-A is essential for implementation of Prop 1-B, in other words voters must approve the \$16 billion dollar tax increase under Prop 1-A for Prop 1-B funds to be available. Who benefits under Prop 1-B? The California Teachers Association (CTA). CTA, the state's powerful teachers union wrote Proposition 1-B which guarantees teachers salaries and benefits by securing their lion's share of Prop 1-A funds. End result? Any potential "savings" due to the proposed 4 years of "temporary taxes" would be funneled directly into teachers' salaries, health benefits and pensions. No change to the deficit, no change to the spending cap, no change to California's economic down spiral, no change to education just secured coffers for the Teachers Union. CTA agreed not to oppose Prop 1A if they could secure their economic interests by placing Prop 1B on the ballot alongside Prop 1A.

### **Proposition 1-C: LOTTERY MODERNIZATION ACT – Vote NO**

VOTE NO on this shell-game. Prop 1C proposes to take projected future lottery earnings and borrow against them today. Wimpy used to say, "I will pay you on Tuesday, for a hamburger today". As we know, Wimpy never paid. If "modernization" means increasing the public debt by writing IOU's in the name of California taxpayers to the California State Lottery, then this could rightfully be considered gambling at its best. The State is having problems selling its unsustainable debt instruments to investors now and unable to pay for current voter approved debt it hasn't even released due to a shortfall in cash flow. Next step? Strong arm some more credit from one of its own public-private partnerships, the lottery, further indebt our children and gamble with their future. Another short term fix, with long term consequences.

### **Proposition 1-D: CHILDREN'S SERVICES FUNDING – Vote NO**

VOTE NO as this is another bait and switch. California voters approved a tax on cigarettes a few years back with the Legislature's promise that the new tax would yield money for early childhood programs. Now, here is that same Legislature telling voters that it wants them to approve changing the use of that tax money so the Legislature can spend it in whatever way it sees fit. Make a promise. Find an excuse. Break the promise. Spend the money anywhere but where it was promised. See a pattern here?

### **Proposition 1-E: MENTAL HEALTH FUNDING – Vote NO "TEMPORARY REALLOCATION" - OXYMORON**

VOTE NO on this hand-is-quicker-than-the-eye proposal. Californians voted in 2004 to provide funds for specific mental health services. It was called Proposition 63 or "The Millionaire's Tax". Income over \$1 million pays an additional 1% tax for these mental health services. Now comes the Legislature to undo the work of the supporters of Proposition 63 by asking the voters to take money from that purpose and give it over to the General Fund deficit. So much for public earmarks!

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It appears the Legislature has now figured out another way to tap into additional resources. Take prior voter approved specific purpose funds and ask those forgetful voters to “temporarily reallocate” those restricted funds to the general fund. Politicians are then free to use that money anyway they please in order to meet their own agendas and the needs of special interest groups. This fundamentally undermines the California initiative process and erodes “We the people” civic involved governance.

**Proposition 1-F: ELECTED OFFICIALS' SALARIES. PREVENTS PAY INCREASES DURING BUDGET DEFICIT YEARS – Vote YES**

VOTE YES. This measure only empowers the Director of Finance to prevent the Citizens Compensation Commission from recommending an increase when a deficit year is declared. Although this is only “lip service” sent to our elected representatives, it sends a loud message from the electorate that they are NOT happy with the Legislature’s mismanagement of public funds and demand accountability when those representatives fail in getting the job done. They are to get paid ONLY when they do their job and pass a balanced yearly budget on time!

The Legislature is banking on a confused, apathetic, and uninformed electorate to be asleep at the switch realized through a low voter turnout in May for passage of these ill conceived propositions. Exercise your most fundamental right and VOTE on May 19. Let’s all remind our elected representatives that it is they who work for us and that we, the taxpayers, do NOT work for them.

*Citizens for California Reform (CCR) is committed to advancing more limited and transparent government. CCR seeks to establish, through a stream lined government, high quality, cost-efficient government services; increased personal responsibilities and civic involvement; protection of individual liberties and freedom of speech; the continued promotion of free market principles and decreased tax burdens on California residents and businesses.*

Gabriella Holt, a Los Angeles County Probation Commissioner; Education Columnist for Carson Venture Magazine and a former Member of the Palos Verdes Peninsula Governing Board of Education, is President and CEO of Citizens for California Reform.

Thank you,



Gabriella Holt, RN, EJD  
Citizens for California Reform