



THE LEAGUE OF WOMEN VOTERS

RECOMMENDS

MAY 19, 2009 SPECIAL ELECTION

PROP 1A Restrictions on State Budget Process

OPPOSE

Prop 1A is touted by its proponents as the way to bring stability to the state budget process. However, it would actually make it more difficult for future governors and legislatures to enact budgets that meet California's needs and address state priorities. It would amend the state Constitution to dictate restrictions on the use of funds put into the reserve and limit how "unanticipated" revenues can be used in good years. It could lock in a reduced level of public services by not taking proper account of the state's changing demographics and actual growth in costs. Prop 1A would also give future governors new power to make budget cuts without legislative oversight. Like the other propositions opposed by the League on this ballot, Prop 1A came from a deeply flawed process that resulted in measures written in haste and without public input or analysis. The League would support real budget reform, but we regretfully conclude that this measure would only make things worse. Most of its provisions would not take effect for two years; we should spend that time working on real budget reform.

PROP 1B Education Funding. Payment Plan

NEUTRAL

This measure requires the state to make \$9.3 billion in supplemental payments to K-14 education over approximately five to six years beginning in 2011-12. This funding is intended to address uncertainty about what the Proposition 98 school funding guarantee requires. The League supports full funding of public education and believes that making up for the devastating cuts of recent years must be a priority. Prop 1B is not needed, however, and even if passed by the voters, it would take effect only if Prop 1A is also passed. The legislature has the power to restore funding to education in a more straightforward way that is not tied to Prop 1A.

PROP 1C Lottery-Based Borrowing

OPPOSE

This measure makes changes in state lottery operations intended to increase its profitability and allows the state to issue \$5 billion in bonds that are "securitized" by future lottery profits. The lottery would no longer be a source of revenue for education, and the state General Fund would be required to make up for the loss to education of lottery funds. League positions on long-term financing anticipate the use of bonds for capital improvements, not borrowing, and call for prudent consideration of debt levels within the budget. In light of California's poor credit rating and the state of the economy, these bonds may have to be sold at interest rates very unfavorable to the state, if indeed they can be sold at all. The nonpartisan Legislative Analyst's Office says that in the long term, lottery profits probably would not cover the higher payments to education required by Prop 1C.

PROP 1D Diverting Children’s Services Funding

OPPOSE

This proposition would redirect tobacco tax funds reserved for First 5 early childhood programs by Proposition 10 (passed in 1998) to the state General Fund. \$608 million would be diverted in 2009-10 and \$268 million a year for the following four years, creating the illusion that more revenues are available. In reality, Prop 1D raids these funds in the short term in order to pay for some services, while taking funding away from other services. It also includes unnecessary provisions, such as new county baseline funding levels unrelated to population needs. We oppose this stopgap measure.

PROP 1E Diverting Mental Health Services Funding

OPPOSE

For the next two years, Proposition 1E would redirect about \$230 million a year from the Mental Health Services Act (Proposition 63 of 2004) to the state General Fund to replace state funding for an existing screening, diagnosis and treatment program. As with Prop 1D, it raids existing programs to create temporary “savings,” but makes less money available for some services. It may even result in the loss of federal matching funds. The League opposes this short-sighted measure.

PROP 1F Elected Officials’ Salaries

NO POSITION

Because League positions do not cover the issues in Proposition 1F, “Elected Officials’ Salaries. Prevents Pay Increases During Budget Deficit Years,” the LWVC is taking no stand on this measure.

3/26/09

VOTE WITH THE LEAGUE ON MAY 19!