

# California

# PRIMARY ELECTION

Tuesday, March 2, 2004

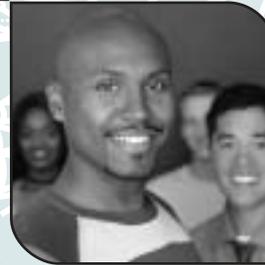
## CERTIFICATE OF CORRECTNESS

I, Kevin Shelley, Secretary of State of the State of California, do hereby certify that the measures included herein will be submitted to the electors of the State of California at the Primary Election to be held throughout the State on March 2, 2004, and that this guide has been correctly prepared in accordance with the law.

Witness my hand and the Great Seal of the State in Sacramento, California, this 8<sup>th</sup> day of December, 2003.



**Kevin Shelley**  
Secretary of State



## Official Voter Information Guide

# SECRETARY OF STATE

Dear Fellow Voter,

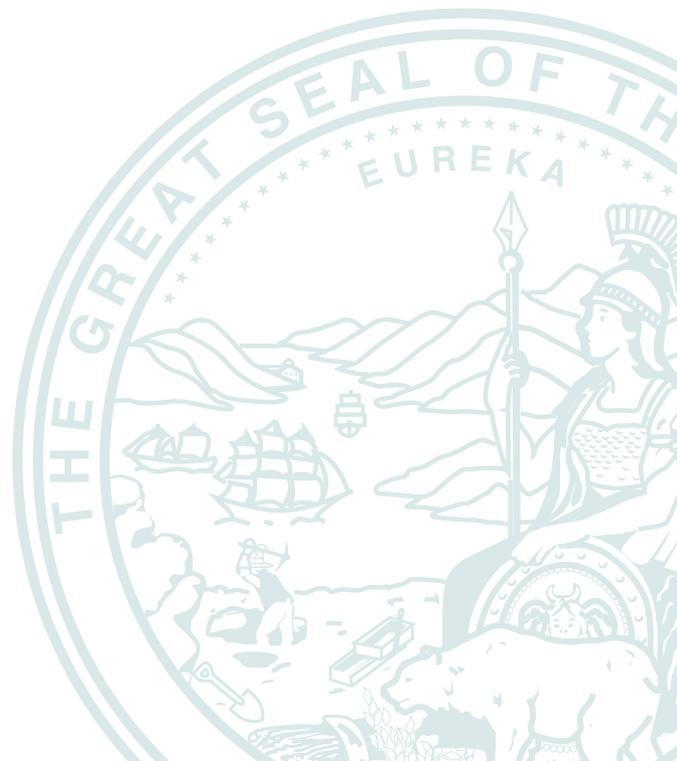
When we cast our votes, we shape the future of our state.

But like you, I want to make sure that I have as much information as possible before I make such an important decision. I know that it can be very difficult to find information on the candidates and on the election process.

That's why I have created a new voter information source at [www.MyVoteCounts.org](http://www.MyVoteCounts.org).

This website contains vital information on the upcoming election and links to important sources where you can learn more about the candidates and issues. I hope you will visit [www.MyVoteCounts.org](http://www.MyVoteCounts.org) and use the site as a resource before you vote.

myVote  
COUNTS  
[www.MyVoteCounts.org](http://www.MyVoteCounts.org)



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# VOTER BILL OF RIGHTS

1. You have the right to cast a ballot if you are a valid registered voter.  
A valid registered voter means a United States citizen who is a resident in this state, who is at least 18 years of age and not in prison or on parole for conviction of a felony, and who is registered to vote at his or her current residence address.
2. You have the right to cast a provisional ballot if your name is not listed on the voting rolls.
3. You have the right to cast a ballot if you are present and in line at the polling place prior to the close of the polls.
4. You have the right to cast a secret ballot free from intimidation.
5. You have the right to receive a new ballot if, prior to casting your ballot, you believe you made a mistake.  
If at any time before you finally cast your ballot, you feel you have made a mistake, you have the right to exchange the spoiled ballot for a new ballot. Absentee voters may also request and receive a new ballot if they return their spoiled ballot to an elections official prior to the closing of the polls on Election Day.
6. You have the right to receive assistance in casting your ballot, if you are unable to vote without assistance.
7. You have the right to return a completed absentee ballot to any precinct in the county.
8. You have the right to election materials in another language, if there are sufficient residents in your precinct to warrant production.
9. You have the right to ask questions about election procedures and observe the elections process.  
You have the right to ask questions of the precinct board and election officials regarding election procedures and to receive an answer or be directed to the appropriate official for an answer. However, if persistent questioning disrupts the execution of their duties, the board or election officials may discontinue responding to questions.
10. You have the right to report any illegal or fraudulent activity to a local elections official or to the Secretary of State's Office.

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*If you believe you have been denied any of these rights, or if you are aware of any election fraud or misconduct, please call the Secretary of State's confidential toll-free*

**VOTER PROTECTION HOTLINE**  
1-800-345-VOTE (8683)

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Secretary of State | State of California

# BALLOT MEASURE SUMMARY

PROP  
**55**

## Kindergarten–University Public Education Facilities Bond Act of 2004.

Bond Act  
Put on the Ballot by the Legislature

### Summary

This twelve billion three hundred million dollar (\$12,300,000,000) bond issue will provide funding for necessary education facilities to relieve overcrowding and to repair older schools. Funds will be targeted to areas of the greatest need and must be spent according to strict accountability measures. Funds will also be used to upgrade and build new classrooms in the California Community Colleges, the California State University, and the University of California, to provide adequate higher education facilities to accommodate the growing student enrollment. These bonds may be used only for eligible projects. Fiscal Impact: State costs of about \$24.7 billion to pay off both the principal (\$12.3 billion) and interest (\$12.4 billion) costs on the bonds. Payments of about \$823 million per year.

### What Your Vote Means

#### Yes

A **YES** vote on this measure means: The state could sell \$12.3 billion in general obligation bonds for the construction and renovation of public education facilities (kindergarten through college).

#### No

A **NO** vote on this measure means: The state could not sell \$12.3 billion in general obligation bonds for these purposes.

### Arguments

#### Pro

Provide kids with clean, safe classrooms to improve student learning. Prop. 55 will **FIX RUNDOWN CLASSROOMS** and **BUILD NEW SCHOOLS**. **STRICT ACCOUNTABILITY** and **AUDITS** guard against waste and mismanagement. California Teachers Association, California Taxpayers' Association, State PTA, California Chamber of Commerce: "Invest in kids and their future. Yes on 55."

#### Con

California faces the worst financial crisis in its history. We need new schools, not more debt for taxpayers. Proposition 55 is fundamentally flawed, poorly drafted, and grossly unfair. It favors Los Angeles Unified School District at the expense of the rest of the state and it will raise our taxes.

### For Additional Information

#### For

Yes on 55—Californians for Accountability and Better Schools  
1121 L Street, Suite 803  
Sacramento, CA 95814  
888-563-0055  
information@yeson55.com  
www.Yeson55.com

#### Against

Thomas N. Hudson,  
Executive Director  
California Taxpayer  
Protection Committee  
9971 Baseline Road  
Elverta, CA 95626-9411  
916-991-9300  
Fax: 209-254-5466  
taxfighters@yahoo.com  
www.ProtectTaxpayers.com

PROP  
**56**

## State Budget, Related Taxes, and Reserve. Voting Requirements. Penalties. Initiative Constitutional Amendment and Statute.

Put on the Ballot by Petition Signatures

### Summary

Permits enactment of budget and budget-related tax/appropriation bills with 55% vote. Legislature, Governor forfeit compensation each day budget is late. Fiscal Impact: Varying impacts from lowering the vote requirement for budget-related measures—including changes in spending and potentially significant increases in state tax revenues in some years. Impacts would depend on the composition and actions of future Legislatures.

### What Your Vote Means

#### Yes

A **YES** vote on this measure means: The Legislature could pass the state budget and tax increase measures related to the budget by a 55 percent vote. Other changes to the budget process would be made.

#### No

A **NO** vote on this measure means: The state budget and tax increase measures would continue to require a two-thirds vote for passage. The budget process would remain the same.

### Arguments

#### Pro

Proposition 56 is real budget reform. It holds legislators accountable by withholding their pay when the budget is late, informing voters of how their money is spent, lowering the threshold to pass a budget from 2/3 to 55%, and requiring a real "rainy day" fund to help balance the budget.

#### Con

Prop. 56 *masquerades* as accountability, but actually *eliminates the 2/3 legislative vote needed before politicians can increase taxes*. If Prop. 56 passes, expect **HIGHER CAR TAXES, GAS TAXES, INCOME TAXES, SALES TAXES, TAXES on HOME-OWNERS**. Don't give Sacramento a **BLANK CHECK**. California Taxpayers' Association recommends: **NO, NO, NO on 56!**

### For Additional Information

#### For

Yes on Prop 56  
1510 J Street, #210  
Sacramento, CA 95814  
916-443-7817  
www.budgetaccountabilitynow.org

#### Against

Californians Against Higher Taxes—No on 56, a coalition of Taxpayers, Consumers, Businesses, Retailers  
11300 West Olympic Blvd., Suite 840  
Los Angeles, CA 90064  
310-996-2678  
info@NoBlankChecks.com  
www.NoBlankChecks.com

# Kindergarten–University Public Education Facilities Bond Act of 2004.

## OFFICIAL TITLE AND SUMMARY

*Prepared by the Attorney General*

### Kindergarten–University Public Education Facilities Bond Act of 2004.

- This act provides for a bond issue of twelve billion three hundred million dollars (\$12,300,000,000) to fund necessary education facilities to relieve overcrowding and to repair older schools.
- Funds will be targeted to areas of greatest need and must be spent according to strict accountability measures.
- Funds will also be used to upgrade and build new classrooms in the California Community Colleges, the California State University, and the University of California, to provide adequate higher education facilities to accommodate growing student enrollment.
- Appropriates money from General Fund to pay off bonds.

### Summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact:

- State costs of about \$24.7 billion to pay off both the principal (\$12.3 billion) and interest (\$12.4 billion) costs on the bonds. Payments of about \$823 million per year.

### Final Votes Cast by the Legislature on AB 16 (Proposition 55)

Assembly:    Ayes 71    Noes 8

Senate:        Ayes 27    Noes 11

## ANALYSIS BY THE LEGISLATIVE ANALYST

### Background

Public education in California consists of two distinct systems. One system includes local school districts that provide elementary and secondary (kindergarten through 12th grade, or “K–12”) education to about 6.2 million pupils. The other system (commonly referred to as “higher education”) includes the California Community Colleges (CCCs), the California State University (CSU), and the University of California (UC). The three segments of higher education provide education programs beyond the 12th grade to the equivalent of about 1.6 million full-time students.

### K–12 Schools

**School Facilities Funding** The K–12 schools receive funding for construction and modernization (that is, renovation) of facilities from two main sources—state general obligation bonds and local general obligation bonds. General obligation bonds are backed by the state and school districts, meaning that they are obligated to pay the principal and interest costs on these bonds.

- **State General Obligation Bonds.** The state, through the School Facility Program (SFP), provides money for school districts to buy land and to construct and renovate K–12 school buildings. Districts receive funding for construction and renovation based on the number of pupils who meet the eligibility criteria of the program. The cost of school construction projects is shared between the state and local school districts. The state pays 50 percent of the cost of new construction projects and 60 percent of the cost for approved modernization projects. (Local matches are not

necessary in “hardship” cases.) The state has funded the SFP by issuing general obligation bonds. General Fund revenues would be used to pay these costs. These revenues come primarily from state income and sales taxes. Over the past decade, voters have approved a total of \$20.1 billion in state bonds for K–12 school construction. About \$1.9 billion of these funds remain available for expenditure.

- **Local General Obligation Bonds.** School districts are authorized to sell general obligation bonds to finance school construction projects with the approval of 55 percent of the voters in the district. These bonds are paid off by taxes on real property located within the district. Over the last ten years, school districts have received voter approval to issue more than \$37 billion of general obligation bonds.

Although school facilities have been funded primarily from state and local general obligation bonds, school districts also receive significant funds from:

- **Developer Fees.** State law authorizes school districts to impose developer fees on new construction. These fees are levied on new residential, commercial, and industrial developments. Statewide, school districts report having received an average of over \$400 million a year in developer fees over the last decade.
- **Special Local Bonds (Known as “Mello-Roos” Bonds).** School districts may form special districts in order to sell bonds for school construction projects. (These special districts generally do not encompass the entire school district.) The bonds, which require two-thirds voter approval, are paid off by charges assessed

**ANALYSIS BY THE LEGISLATIVE ANALYST (CONT.)**

to property owners in the special district. Statewide, school districts have received on average about \$270 million a year in special local bond proceeds over the past ten years.

**K–12 School Building Needs.** Under the SFP, K–12 school districts must demonstrate the need for new or modernized facilities. Through September 2004, the districts have identified a need to construct new schools to house nearly 1 million pupils and modernize schools for an additional 1.1 million pupils. The state cost to address these needs is estimated to be roughly \$16 billion.

**Higher Education**

California’s system of public higher education includes 141 campuses in the three segments listed below, serving about 1.6 million students:

- The CCCs provide instruction to 1.1 million students at 108 campuses operated by 72 locally governed districts throughout the state. The community colleges grant associate degrees and also offer a variety of vocational skill courses.
- The CSU has 23 campuses, with an enrollment of about 331,000 students. The system grants bachelor and master degrees, and a small number of joint doctoral degrees with UC.
- The UC has nine general campuses, one health sciences campus, and various affiliated institutions, with a total enrollment of about 201,000 students. This system offers bachelor, master, and doctoral degrees, and is the primary state-supported agency for conducting research.

Over the past decade, the voters have approved \$5.1 billion in general obligation bonds for capital improvements at public higher education campuses. Virtually all of these funds have been committed to specific projects. The state also has provided almost \$1.6 billion in lease revenue bonds (authorized by the Legislature) for this same purpose.

In addition to these state bonds, the higher education segments have other sources of funding for capital projects.

FIGURE 1

**PROPOSITION 55  
USES OF BOND FUNDS**

	<i>Amount (In Millions)</i>
<b>K–12</b>	
New construction projects	\$5,260 <sup>a</sup>
Modernization projects	2,250
Critically overcrowded schools	2,440
Joint use	50
Subtotal, K–12	(\$10,000) <sup>b</sup>
<b>Higher Education</b>	
Community Colleges	\$920
California State University	690
University of California	690
Subtotal, Higher Education	(\$2,300)
<b>TOTAL</b>	<b>\$12,300</b>

<sup>a</sup> Up to \$300 million available for charter schools.

<sup>b</sup> Up to \$20 million available for energy conservation projects.

- **Local General Obligation Bonds.** Community college districts are authorized to sell general obligation bonds to finance school construction projects with the approval of 55 percent of the voters in the district. These bonds are paid off by taxes on real property located within the district. Over the last decade, community college districts have received local voter approval to issue over \$7 billion of bonds for construction and renovation of facilities.
- **Gifts and Grants.** The CSU and UC in recent years together have received on average over \$100 million annually in gifts and grants for construction of facilities.
- **UC Research Revenue.** The UC finances the construction of new research facilities by selling bonds and pledging future research revenue for their repayment. Currently, UC uses about \$130 million a year of research revenue to pay off these bonds.

**Higher Education Building Plans.** Each year the institutions of higher education prepare capital outlay plans in which they identify project priorities over the next few years. Higher education capital

## ANALYSIS BY THE LEGISLATIVE ANALYST (CONT.)

outlay projects in the most recent plans total \$5.3 billion for the period 2003–04 through 2007–08.

### Proposal

This measure allows the state to issue \$12.3 billion of general obligation bonds for construction and renovation of K–12 school facilities (\$10 billion) and higher education facilities (\$2.3 billion). Figure 1 shows how these bond funds would be allocated to K–12 and higher education.

**Future Education Bond Act.** If the voters do not approve this measure, state law requires the same bond issue to be placed on the November 2004 ballot.

### K–12 School Facilities

Figure 1 describes generally how the \$10 billion for K–12 school projects would be allocated. However, the measure would permit changes in this allocation with the approval of the Legislature and Governor.

**New Construction.** A total of \$5.26 billion would be available to buy land and construct *new* school buildings. A district would be required to pay for 50 percent of costs with local resources unless it qualifies for state hardship funding. The measure also provides that up to \$300 million of these new construction funds is available for charter school facilities. (Charter schools are public schools that operate independently of many of the requirements of regular public schools.)

**Modernization.** The proposition makes \$2.25 billion available for the reconstruction or modernization of *existing* school facilities. Districts would be required to pay 40 percent of project costs from local resources.

**Critically Overcrowded Schools.** This proposition directs a total of \$2.44 billion to districts with schools which are considered critically overcrowded. These funds would go to schools that have a large number of pupils relative to the size of the school site.

**Joint-Use Projects.** The measure makes a total of \$50 million available to fund joint-use projects. (An example of a joint-use project is a facility constructed for use by both a K–12 school district and a local library district.)

### Higher Education Facilities

The measure includes \$2.3 billion to construct new buildings and related infrastructure, alter existing buildings, and purchase equipment for use in these buildings for California's public higher education systems. As Figure 1 shows, the measure allocates \$690 million each to UC and CSU and \$920 million to CCCs. The Governor and the Legislature would select the specific projects to be funded by the bond monies.

### Fiscal Effect

The cost of these bonds would depend on their interest rates and the time period over which they are repaid. If the \$12.3 billion in bonds authorized by this proposition is sold at an interest rate of 5.25 percent (the current rate for this type of bond) and repaid over 30 years, the cost over the period would be about \$24.7 billion to pay off both the principal (\$12.3 billion) and interest (\$12.4 billion). The average payment for principal and interest would be about \$823 million per year.

## ARGUMENT in Favor of Proposition 55

Our kids deserve clean, safe classrooms if we expect them to succeed. But many students are asked to learn in classrooms that are rundown and overcrowded.

California needs to invest in education to invest in the future of our children. Fixing rundown classrooms and building new schools to reduce overcrowding is one way to help students improve test scores and meet higher standards.

Passing Proposition 55 will invest in our kids' future and enact strict accountability standards that make sure school bond funds go directly to repair and build new classrooms where they're most needed.

PARENTS SUPPORT Proposition 55 because it FIXES OLD AND OUTDATED CLASSROOMS in need of repair.

Recent surveys show that one million children attend schools with bathrooms that don't work. Our kids deserve better. Prop. 55:

- FIXES LEAKY ROOFS, REPAIRS BROKEN BATHROOMS, and puts heating and air conditioning in classrooms.
- Helps make sure kids go to school in SAFE BUILDINGS that meet earthquake and fire standards.

LOCAL TEACHERS SUPPORT Proposition 55 because it PROVIDES COMMUNITIES MATCHING STATE FUNDS TO BUILD NEW LOCAL SCHOOLS.

California needs to build more than 22,000 classrooms to relieve overcrowding and deal with increasing student enrollment. Proposition 55 provides matching state funds for local school projects and will:

- BUILD NEW LOCAL SCHOOLS up and down the state.
- BUILD NEW CLASSROOMS to relieve overcrowding and reduce class sizes.

The CALIFORNIA TAXPAYERS' ASSOCIATION supports Proposition 55's STRICT ACCOUNTABILITY PROVISIONS.

- INDEPENDENT AUDITS, COST CONTROLS and other accountability requirements guard against waste and mismanagement and provide oversight of ALL school projects.
- Funds can only be spent to repair or build schools, NOT on bureaucracy or waste.

The CALIFORNIA STATE PTA supports Proposition 55 because it TARGETS FUNDS WHERE THEY'RE NEEDED MOST.

- Prop. 55 provides specific funding to build *new schools in areas where classrooms are severely overcrowded*.
- New and growing communities also receive their *fair share* to build the schools and classrooms they need.

The CALIFORNIA STATE UNIVERSITY, California COMMUNITY COLLEGES and UNIVERSITY OF CALIFORNIA support Proposition 55.

- Proposition 55 provides funds for colleges and universities to build classrooms and modernize research facilities that help create jobs and grow California's economy.

The CALIFORNIA CHAMBER OF COMMERCE supports Proposition 55 because it INVESTS IN OUR ECONOMY AND OUR FUTURE WORKFORCE.

- School construction is a direct investment in the economy. Proposition 55 projects will CREATE HUNDREDS OF THOUSANDS OF NEW JOBS throughout California.
- Prop. 55 provides money to *wire classrooms* and give students the tools they need to become tomorrow's leaders.

Passing Proposition 55 will invest in our kids' future by fixing rundown classrooms and building new schools. Strict accountability requirements ensure funds are spent only on school repair and construction.

And Prop. 55 is a general obligation bond that WILL NOT RAISE TAXES.

Join Republicans, Democrats and Independents, local teachers, taxpayer organizations, community groups, local businesses, the California Chamber of Commerce, California State PTA and millions of Californians who support our schools.

VOTE YES ON PROPOSITION 55.

BARBARA KERR, *President*  
*California Teachers Association*

LARRY MCCARTHY, *President*  
*California Taxpayers' Association*

BILL HAUCK, *Co-Chair*  
*Californians for Accountability and Better Schools*

## REBUTTAL to Argument in Favor of Proposition 55

We need to make school construction a priority for California—without increasing our debt.

The proponents' ridiculous claim that this bond "will not raise taxes" is a preposterous misrepresentation. Bond funds can only be repaid with tax dollars. We must either cut services or increase taxes to repay this bond.

Fortunately, there is a better way to build schools. This year, the state spent \$3,542,000,000 for school construction (equivalent to 3.5% of the state's \$101,174,000,000 budget). If we spent just 5% of the next five budgets on school construction, we would raise TWICE as much money as this bond. We could build twice as many schools and save taxpayers more than \$12 billion in interest!

We don't need new debt or higher taxes. We just need to tell Sacramento to make school construction a priority.

Proponents claim that funds from Proposition 55 "can only be spent to repair or build schools, NOT on bureaucracy or waste." This is nonsense. School construction

in California is plagued by waste, bureaucracy, and ridiculous government mandates. This bond does nothing to eliminate bureaucracy, waste or mandates.

The proponents promise to build schools "up and down the state," but they don't mention that the money will only be spent in districts wealthy enough to raise the 40% matching funds. HALF OF ALL SCHOOL DISTRICTS RECEIVED NOTHING FROM THE LAST SCHOOL BOND. There is no guarantee that your school district will receive a penny from this bond, but you will be forced to pay it back.

RICO OLLER, *State Senator*  
*First Senate District*

LEW UHLER, *President*  
*National Tax-Limitation Committee*

HENRY A. HOUGH, *Senior Vice President*  
*60-Plus Association*

## ARGUMENT Against Proposition 55

California is facing the most severe financial crisis in the history of any state. Last year, California's budget deficit nearly equaled the *combined* deficits of all other states. Our state's credit rating is the very worst in the nation and our bonds are slipping toward "junk bond" status. To make matters worse, former Governor Davis and the Legislature borrowed more than \$13 billion last year just to pay the bills. Next year's estimated budget deficit is already over \$10 billion and the bad news keeps coming. We are in such dire fiscal straits that the Treasurer has not been able to issue \$28 billion of the \$73 billion in statewide bonds that have already been approved.

The results of this financial mismanagement are staggering. For decades, we will be forced to pay higher taxes just to pay back what we have already borrowed. Even without new bonds, our crippling debt load will make it much more difficult for government to respond to natural disasters and recessions. Today's schoolchildren will still be paying for this bond long after their own children have graduated!

At a time when Governor Schwarzenegger and the Legislature struggle to find ways to pay for the \$73,000,000,000 in previously approved debt, this measure would dig us deeper into a financial hole. At \$12,300,000,000, Proposition 55 rivals the largest bond in the history of any American state. We simply cannot afford it.

It is time for us to take a new look at the way we build schools in California. The effect of compound interest and the fees paid to lawyers, Wall Street bond traders, and bureaucrats generally doubles the cost of facilities built with bonds. This

bond does not even contain an interest rate cap, so the true costs could be much higher, especially if California voters approve additional bonds in this election. WE COULD BUILD MANY MORE SCHOOLS IF WE ADOPTED A MORE FISCALLY RESPONSIBLE APPROACH. Since California has thousands and thousands of public schools, why not simply build and renovate some number each year? That way, we wouldn't need to go into debt or threaten our financial stability. We just need to impress upon Sacramento that school construction is a priority.

Before voting, please take a close look at the bond's language. The drafters cleverly set aside more than a quarter of the bond funds for the Los Angeles Unified School District. Only 12% of our state's schoolchildren attend school there. This isn't fair and it isn't right.

To add insult to injury, Proposition 55 requires local school districts to provide 40% matching funds to receive ANY money. Does your school district have a huge budget surplus? Unless you live in a wealthy community with surplus cash for the required 40% matching funds, you and your children may never see a penny from this \$12,300,000,000 bond, but you will certainly be required to pay higher taxes to pay back the money for the next 30 years.

Please VOTE NO on Proposition 55.

SENATOR RICO OLLER  
*First Senate District*

## REBUTTAL to Argument Against Proposition 55

California can and must continue to invest in education and our kids' future. Proposition 55 will do just that. Don't be fooled by the opponent's distortion of the facts.

Providing safe, clean classrooms will improve student performance and help our children succeed.

CALIFORNIA STATE TREASURER Phil Angelides says, *"California's economy is capable of supporting Proposition 55. It's a sound, prudent investment that will contribute to our future economic prosperity."*

THE CALIFORNIA TAXPAYERS' ASSOCIATION says, *"Proposition 55 is a fiscally responsible way to finance school repair and construction."*

The opponent DELIBERATELY MISREPRESENTED the facts. The truth:

- Every district is eligible for only its FAIR SHARE of Prop. 55 based on need. No district, in Los Angeles or elsewhere, will get more than its fair share.
- Proposition 55 TARGETS FUNDS where they're needed most—districts with critically overcrowded and rundown schools. Visit [www.Yeson55.com](http://www.Yeson55.com) for a list of Prop. 55 projects and projects financed by the last statewide school bond.

- STRICT ACCOUNTABILITY requirements, COST CONTROLS and independent AUDITS safeguard against waste and mismanagement.
- Proposition 55 provides matching funding to local districts. Without Prop. 55, many communities *cannot* move forward with school repair and construction.
- Proposition 55 is a general obligation bond that WILL NOT RAISE TAXES.

California needs to build 22,000 classrooms to deal with overcrowding and increasing enrollment. Tens of thousands of schools need basic repairs—fixing leaky roofs and broken bathrooms, installing heating and air conditioning.

Vote YES on 55 to FIX RUNDOWN SCHOOLS, build NEW CLASSROOMS and IMPROVE STUDENT LEARNING.

CARLA NIÑO, *President*  
*California State PTA*

ALLAN ZAREMBERG, *President*  
*California Chamber of Commerce*

CATHERINE L. UNGER, *President*  
*Board of Governors, California Community Colleges*

## State Budget, Related Taxes, and Reserve. Voting Requirements. Penalties. Initiative Constitutional Amendment and Statute.

### OFFICIAL TITLE AND SUMMARY

Prepared by the Attorney General

#### State Budget, Related Taxes, and Reserve. Voting Requirements. Penalties. Initiative Constitutional Amendment and Statute.

- Permits Legislature to enact budget and budget-related tax and appropriation bills with 55% vote rather than 2/3 vote currently required.
- Requires that Legislature, Governor permanently lose salary, expenses for each day budget is late.
- Requires that Legislature stay in session until budget is passed.
- Requires budget summary in state ballot pamphlet and link to Internet website with legislators' voting records on budget and related taxes.
- Requires 25% of certain state revenue increases be deposited in reserve fund, which cannot be used to increase spending.

#### Summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact:

- This measure would have varying state fiscal impacts from lowering the legislative vote requirement for budget-related spending and tax increases—including changes in spending and potentially significant increases in state tax revenues in some years. Fiscal impacts would depend primarily on the composition and actions of future Legislatures.

## ANALYSIS BY THE LEGISLATIVE ANALYST

### Background

The state budget bill provides the annual funding for most state government programs. Before the budget bill is sent to the Governor for approval, it must be passed by a two-thirds vote (67 percent) of each house of the Legislature. The State Constitution requires legislative passage of the budget bill by June 15 of each year. (It does not, however, provide a deadline for the Legislature and Governor to come to final agreement on the budget bill.)

The State Constitution also requires a two-thirds vote of each house of the Legislature for the passage of bills that increase taxes. These types of bills take effect immediately. Other types of bills—including bills reducing taxes or spending—can be passed with a majority (over 50 percent) vote and take effect on January 1 of the following year.

The budget typically includes money set aside for unexpected events, such as revenue shortfalls or emergencies. These funds are placed into a reserve or “rainy day” fund. Currently, the Legislature and Governor can choose each year how much money to put into this fund.

### Proposal

This measure amends both the state's Constitution and statutes to change the state budget process. Figure 1 summarizes the main provisions of the proposition.

#### *Votes on State Budget-Related Taxes and Spending*

This measure reduces from two-thirds to 55 percent the number of votes required to pass the budget bill and other bills—including tax increase measures—related to the budget bill. These budget-related bills would take effect immediately upon passage.

**Reserve Requirements.** This measure establishes minimum requirements for putting money into and taking money out of the state reserve fund. Under the measure, funds would be added to the reserve in any year in which state revenues exceeded what was needed for “current service levels.” (This term refers to the amount needed to fund existing state programs, adjusted each year for population changes and inflation. Annual revenues above this amount could be considered “excess revenues.”) Specifically, the measure requires the Legislature to put in the reserve at least 25 percent of any excess revenues, until the reserve reaches 5 percent of prior-year spending (currently a reserve amount of almost \$4 billion). The measure does not restrict the use of the remaining excess revenues. Reserve funds could only be spent in cases of an emergency or in years in which spending on current service levels exceeded available revenues.

**Consequences of Late Budget.** This measure prohibits the Legislature and the Governor from collecting their salaries and expenses when the budget is late. Lost salaries

## ANALYSIS BY THE LEGISLATIVE ANALYST (CONT.)

and expenses could not be paid back later. In addition, the measure requires the Legislature to stay in session until the budget is approved.

**Other Provisions.** The measure also includes the following provisions:

- **Ballot Pamphlet Budget Summary.** The measure requires the State Controller to prepare a budget summary to be included in the ballot pamphlet provided to voters at every statewide election. This summary would include directions to an Internet Web site that includes voting records of legislators on budget-related bills.
- **Punishment of Legislators.** The measure prohibits a legislator from punishing or threatening to punish another legislator for a vote related to the budget.

### Fiscal Effects

The measure would have the following fiscal impacts on state government.

**Votes on State Budget-Related Taxes and Spending** This proposition, by reducing the number of votes needed to pass budget-related bills, would make it easier for the Legislature to agree on these measures. The extent of any impacts of this change would depend on a number of factors—such as the state’s financial circumstances, the composition of the Legislature, and its future actions. For example, since fewer legislators would need to agree to a state budget, the budget’s content and level of spending could change in some years from what it otherwise would have been.

Similarly, the reduced number of required votes would make it easier in some years to approve tax increases related to the budget. In such cases, the measure would result in higher tax revenues (and state spending) than otherwise would have occurred. This potential revenue impact could be significant. For instance, given the state’s roughly \$70 billion budget, even a small percentage increase in taxes could result in a significant amount of additional revenues.

**Reserve Requirements.** Under this measure, the Legislature would be required to put revenues into the reserve in certain years. (The funds placed into the reserve would have been available for additional spending or revenue reductions.) As a result, there would be a higher reserve level in some years than otherwise would

FIGURE 1

### PROVISIONS OF PROPOSITION 56

✓ Votes on State Budget-Related Taxes and Spending
• Permits Legislature to enact with 55 percent vote rather than the two-thirds vote currently required.
✓ Reserve Requirements
• Requires 25 percent of “excess” state revenue (up to 5 percent of General Fund spending) to be set aside.
• Reserve funds could be spent only in certain circumstances.
✓ Consequences of Late Budget
• Requires that Legislature and Governor lose salary and expenses each day the budget is late.
• Requires the Legislature stay in session until budget is passed.
✓ Other Provisions
• Requires budget summary in state ballot pamphlet and directions to an Internet Web site providing budget-related vote information.
• Prohibits a legislator from punishing or threatening to punish another legislator for a budget-related vote.

have occurred. In addition, a higher reserve level could lead to less fluctuation in state spending. For example, a higher reserve could result in lower spending in high revenue growth years and help sustain current service levels in low revenue years. The impact of the reserve requirements would depend on the level of state revenues and legislative decisions regarding current service levels.

**Consequences of Late Budget.** The loss of salary and expenses requirement for the Governor and Legislature would reduce costs in any year in which there is a late budget. In such cases, the measure would save the state about \$50,000 per day in salaries and expenses until approval of the budget.

**Ballot Pamphlet Budget Summary.** The requirement for the State Controller to produce budget-related information would result in minor costs to the state.

**Other Factors.** By changing the budget process, this measure could have other fiscal impacts. For example, to the extent the measure makes it easier to address budget problems, it could have some positive effect on the state’s credit rating. If so, this would result in some state savings from lower interest costs.

## ARGUMENT in Favor of Proposition 56

It's time for real budget reform that holds legislators accountable.

Year after year, under Democratic and Republican governors alike, we have experienced late budgets and huge deficits.

Year after year, the Legislature bickers and postures over the state budget.

Why do they get away with it? Because **LEGISLATORS FACE NO CONSEQUENCES FOR LATE BUDGETS AND IRRESPONSIBLE DEFICITS:**

- Despite having almost six months to pass a budget, the Legislature has missed the Constitutional deadline every year since 1986.
- California's credit rating has been lowered to near junk bond status—the lowest of any state.
- Huge deficits threaten drastic cuts in education, health care and public safety—and they also have been responsible for the state's biggest tax increases.

**PROPOSITION 56—THE BUDGET ACCOUNTABILITY ACT—MAKES LEGISLATORS RESPONSIBLE FOR THEIR BUDGET ACTIONS.**

56 is real budget reform that gives voters the tools they need to hold their legislators accountable.

**PROPOSITION 56 ENDS LATE BUDGETS.**

56 says legislators will face real consequences when the budget is late:

- It requires the Legislature to stay in session and not go on vacation until they pass the budget.
- It says legislators will forfeit their pay and expenses for each day the budget is late. *No budget...no pay.*

**PROPOSITION 56 REDUCES PARTISAN GRIDLOCK.**

- 56 reduces the vote requirement on the budget and related taxes from two-thirds to 55% so small groups of partisan legislators can't hold the budget hostage and block compromise.
- 56 allows lawmakers to vote their conscience, rather than be forced to vote the party line. It eases the political parties' stranglehold on the budget process by empowering the

Legislature to censure members who threaten or punish other legislators for their budget vote.

**PROPOSITION 56 MAKES LEGISLATORS ACCOUNTABLE TO VOTERS.**

- 56 requires future Official Voter Information Guides to contain a two-page summary of the budget including an Internet site so voters can see EVERY VOTE cast by legislators on the budget and related taxes.
- **LEGISLATORS WILL FACE THE CONSEQUENCES AT ELECTION TIME** if they fail to act responsibly on the budget and taxes.

**PROPOSITION 56 HELPS PREVENT OVERSPENDING IN GOOD TIMES AND BUDGET DEFICITS WHEN TIMES ARE BAD.**

- 56 helps avoid future deficits by creating a "rainy day fund." For the first time, it would require funds to be set aside when the economy is strong to help prevent deficits when the economy is weak.
- In good times, at least 25% of surplus revenues must be deposited in the reserve. This money can only be spent to help maintain existing services in deficit years or for emergencies such as major fires or earthquakes.
- The reserve cannot be used to increase spending.

After 17 years of late budgets, papered-over deficits and a sinking bond rating, we need to end the gridlock, create a budget reserve and give voters information to hold their legislators accountable at election time.

Proposition 56 makes legislators accountable for their actions on the budget.

**VOTE YES ON PROPOSITION 56.**

HELEN RUSS, *President*  
*California AARP*

DAN TERRY, *President*  
*California Professional Firefighters*

CARLA NIÑO, *President*  
*California State PTA*

## REBUTTAL to Argument in Favor of Proposition 56

*Proposition 56 will make it easier for the Legislature to increase our taxes. Too easy.*

Proponents sugar-coated it with some attractive reforms, but watch out...

Beneath Prop. 56's bells and whistles lies a provision to eliminate the 2/3 legislative vote needed before state politicians can increase taxes.

*What would they do with their new-found power to increase taxes?*

**THEY'D INCREASE TAXES.**

*Take a look behind the scenes in Sacramento:*

In just one legislative session last year, state legislators proposed 100 separate tax and fee increases—\$65 BILLION in new burdens on families, seniors, homeowners and businesses.

*If Prop. 56 had been the law, most of those tax proposals would have passed.*

We need *real* budget reform to hold legislators accountable for the efficient use of tax dollars to ensure quality education, health care and public safety.

The *last* thing we need?

*A proposition that masquerades as accountability, but is really just a BIG FAT OLD-FASHIONED BLANK CHECK for the same politicians it pretends to discipline.*

*If Prop. 56 passes, expect HIGHER CAR TAXES, GAS TAXES, SALES TAXES and INCOME TAXES.*

*And HIGHER TAXES ON HOMEOWNERS.*

Here's what Jon Coupal, president of the Howard Jarvis Taxpayers Association, reports: *"Proposition 56 is a direct assault on taxpayers. It strips away Proposition 13's taxpayer protections and will lead to higher taxes on homeowners."*

So look beneath the bells and whistles to Prop. 56's *real* question:

*Should we make it EASIER for them to increase our taxes?*

**VOTE NO on 56!**

BETTY JO TOCCOLI, *Chair*  
*California Small Business Roundtable*

LARRY MCCARTHY, *President*  
*California Taxpayers' Association*

MARTYN B. HOPPER, *California State Director*  
*National Federation of Independent Business (NFIB)*

## ARGUMENT Against Proposition 56

The *real* purpose of Proposition 56 is to change the State Constitution to make it *easier* for the Legislature to increase taxes.

If Prop. 56 passes, that's exactly what we'll get: **HIGHER TAXES.**

- Higher sales and income taxes.
- Higher car and gas taxes.
- Higher taxes on seniors and families.
- *Higher parcel taxes on homeowner property tax bills.*
- Higher taxes on small businesses and employers.

*There's no question that we need to do something to hold Sacramento politicians more accountable. But Prop. 56 is NOT that something.* It has a few good provisions, but we don't get to pick and choose. *It's a package deal, a package that will make Sacramento less, not more, accountable.*

Taxpayer groups call this deceptive measure the **BLANK CHECK PROPOSITION.** With one hand, Prop. 56 pretends to hold state politicians accountable for delivering a responsible budget. But with the other hand it slips those same politicians an open-ended blank check to increase taxes, year after year.

*That's not responsible budget reform. That's an invitation to pass an irresponsible budget on time by simply increasing any and all taxes.*

Here's how the Blank Check Proposition would work:

Currently, the State Constitution requires a 2/3 vote in the Legislature before they can increase our state taxes. That 2/3 protection is one of the few safeguards we have against unjustified tax hikes. It's a protection California voters put into the State Constitution with Prop. 13. *A 2/3 legislative vote requires bipartisan consensus—checks and balances.* It's a vote threshold that says: *We understand that sometimes taxes must be increased, but BEFORE you do that: Make sure you've got bipartisan consensus. Make sure you've cut government waste. Make sure that tax hike is absolutely necessary.*

Buried in Prop. 56 is a new constitutional provision [Section 12(f)(1)] that would throw that 2/3 legislative vote protection

right out the window. With it goes any need for bipartisan consensus or strong justification before Sacramento politicians can increase our taxes.

*If Prop. 56 passes, the Legislature will have a much freer hand to:*

- *Increase car taxes* (which were already increased 300% last year).
- *Increase gas taxes* (without even using the revenue for transportation).
- *Add new and higher parcel taxes to homeowner property tax bills* (they've already approved increases on some homeowners).
- *Increase income taxes and sales taxes* (which are already among the highest in the nation).
- *Add tax surcharges onto everything from diapers to beer* (just like they proposed in the last legislative session).
- *Slap more taxes on small businesses and employers* (which will only drive more businesses out of business and out of state, and more people onto the unemployment line).

**PROP. 56 POSES ONE FUNDAMENTAL QUESTION TO VOTERS:**

*Do we want to make it EASIER for the politicians in Sacramento to INCREASE OUR TAXES?*

Do we?

*Join us in sending a strong message to Sacramento. Tell them NO MORE BLANK CHECKS. Tell them to CUT THE WASTE and start spending our hard-earned tax dollars more wisely.*

**VOTE NO on 56.**

LARRY McCARTHY, *President  
California Taxpayers' Association*

ALLAN ZAREMBERG, *President  
California Chamber of Commerce*

DAVID HERMAN, *Executive Director  
The Seniors Coalition*

## REBUTTAL to Argument Against Proposition 56

56 IS A PACKAGE OF REFORMS THAT WORK TOGETHER TO END PARTISAN GRIDLOCK AND LATE BUDGETS.

Year after year legislators paper over deficits after months of partisan bickering and delay, causing:

- Huge deficits forcing drastic cuts to education, health care and public safety—AND big tax increases.
- Late budgets and big deficits undermining our state's credit rating.

56 contains essential reforms that end partisan gridlock, impose real consequences for late budgets, require a reserve to help prevent future deficits, and give voters the tools to hold legislators accountable.

THE 2/3 VOTE IS NO "SAFEGUARD."

- Instead of bipartisan consensus, the 2/3 requirement has encouraged partisan bickering and gridlock.
- Arkansas and Rhode Island are the only other states requiring at least a 2/3 vote to pass a budget.
- The 55% vote still requires a LARGER majority to pass our budget than 47 other states and the federal government.

56 IS NO BLANK CHECK.

- 56 does NOT change ANY of Proposition 13's property tax protections.
- 56 requires the Official Voter Guide to give you information on state spending and your legislators' votes on the budget and taxes.
- If legislators vote for unfair taxes or irresponsible budgets, **56 GIVES YOU THE INFORMATION YOU NEED TO VOTE THEM OUT OF OFFICE.**

ACCOUNTABILITY TO VOTERS IS OUR BEST PROTECTION AGAINST BAD BUDGETS.

Major funding for the opposition comes from oil, tobacco and alcohol companies. They want the status quo. We can't afford it.

YES ON 56.

LENNY GOLDBERG, *Executive Director  
California Tax Reform Association*

JACQUELINE JACOBBERGER, *President  
League of Women Voters of California*

This section provides an overview of the state's current bond debt. It also discusses the impact the bond measure on this ballot would, if approved, have on this debt level and the costs of paying it off.

## Background

**What Is Bond Financing?** Bond financing is a type of long-term borrowing that the state uses to raise money for various purposes. The state obtains this money by selling bonds to investors. In exchange, it agrees to repay this money, with interest, according to a specified schedule.

**Why Are Bonds Used?** The state has traditionally used bonds to finance major capital outlay projects such as roads, educational facilities, prisons, parks, water projects, and office buildings. This is done mainly because these facilities provide services for many years and their large dollar costs can be difficult to pay all at once. Recently, however, the state has also used bond financing to help close major shortfalls in its General Fund budget.

**What Types of Bonds Does the State Sell?** The state sells three major types of bonds. These include:

- **General Fund Bonds.** These are paid off from the state's General Fund, which is largely supported by tax revenues. Such bonds take two forms. The majority are *general obligation* bonds. These must be approved by the voters and their repayment is guaranteed in the State Constitution. The second type is *lease-revenue* bonds. These do not require voter approval, are not guaranteed, and are paid off from lease payments (primarily from the General Fund) by state agencies using the facilities they finance. As a result, they have somewhat higher interest costs than general obligation bonds.
- **Traditional Revenue Bonds.** These also typically finance capital projects but are not supported by the General Fund. Rather, they are paid off from a designated revenue stream—usually generated by the projects they finance, such as bridge tolls. These bonds also do not require voter approval.
- **Budget-Related Bonds.** During the past two years, the Governor and Legislature authorized three types of bonds to help address the state's budget problem. These were tobacco revenue bonds, a deficit financing bond, and a pension obligation bond. Repayment of the tobacco bonds is from future payments to California from a settlement with tobacco companies. Repayment of the other bonds would directly or indirectly cost the General Fund. (As of November 2003, there were legal challenges pending on both of these bonds.)

**What Are the Direct Costs of Bond Financing?** The state's cost for using bonds depends primarily on their interest rates and the time period over which they are repaid. For example, most general obligation bonds are paid off over a 30-year period. Assuming current tax-exempt interest rates for such bonds (about 5.25 percent),

the cost of paying them off over 30 years is about \$2 for each dollar borrowed—\$1 for the dollar borrowed and \$1 for interest. This cost, however, is spread over the entire 30-year period, so the cost after adjusting for inflation is less—about \$1.25 for each \$1 borrowed.

## The State's Current Debt Situation

**Amount of General Fund Debt.** As of November 2003, the state had about \$36 billion of General Fund bond debt outstanding—about \$29 billion of general obligation bonds and \$7 billion of lease-revenue bonds. Also, the state has not yet sold about \$21 billion of authorized bonds, either because the projects involved have not yet been started or those in progress have not yet reached their major construction phase. This does not include the authorized \$10.7 billion in deficit financing bonds and \$1.9 billion in pension obligation bonds.

**Debt Payments.** We estimate that debt payments for traditional General Fund bonds will be about \$2.5 billion in 2003–04. This amount has been temporarily reduced, however, because of the deferral of certain bond payments to help deal with the General Fund's budget shortfall. Debt payments will increase to about \$3.5 billion in 2004–05, as previously authorized but currently unsold bonds are marketed. Outstanding bond debt costs would rise to approximately \$4.1 billion in 2007–08, and slowly decline thereafter if no new bonds are authorized. If the \$12.3 billion in bonds on the March ballot are approved and eventually sold, annual debt service payments would rise to about \$5 billion by 2007–08 before declining in subsequent years. The annual General Fund impacts associated with the budgetary borrowing noted above would be an additional \$2.5 billion for the deficit financing bonds and about \$410 million for the pension obligation bonds over the next five years.

**Debt Service Ratio.** The level of General Fund debt payments stated as a percentage of state revenues is referred to as the state's debt service ratio. This ratio increased in the early 1990s and peaked at slightly over 5 percent in the middle of the decade. The ratio currently stands at about 3.3 percent, and is expected to increase to 4.6 percent in 2004–05, and further to a peak of 4.9 percent in 2005–06 as currently authorized bonds are sold. If the \$12.3 billion in bonds on this ballot are approved and eventually sold, the ratio would increase to about 5.3 percent in 2006–07 and decline thereafter. If the debt service on the budgetary borrowing is included in this calculation, the total debt service ratio would jump to about 9 percent and remain in that range until the deficit bonds and pension bonds are paid off (probably in 2009–10).

## Bond Propositions on This Ballot

There is one bond measure on this ballot. Proposition 55 would authorize the state to issue \$12.3 billion of general obligation bonds for construction and renovation of public K–12 schools and higher education facilities.

# “DECLINE TO STATE” VOTERS

(Voters not affiliated with a political party)

## For whom can I vote?

If you are registered to vote with a political party, you may only vote at this primary election for the candidates running for office from the party with which you are registered and for or against measures. However, if you did not select a political party when you registered to vote, some of the political parties will allow you to vote for their candidates anyway. If you are not registered with a political party, upon request you can vote a ballot of any political party that has notified the Secretary of State that it will permit “unaffiliated” voters to help nominate their candidates.

The following political parties are allowing voters who are not registered with a political party to request and vote their party’s ballot at the March 2, 2004, Primary Election:

- American Independent Party
- Democratic Party (all candidates except county central committee candidates)
- Republican Party (all candidates except Presidential candidates and county central committee candidates)

You may NOT request more than one party’s ballot. If you do not request a specific ballot, you will be given a nonpartisan ballot containing only the names of candidates for nonpartisan offices and the measures to be voted upon at the March 2, 2004, Primary Election.

If you are not registered with any political party, and you want to know which of the political parties will permit you to vote their ballots at the March 2, 2004, Primary Election, you can call our toll-free number 1-800-345-VOTE or visit our website at [www.MyVoteCounts.org](http://www.MyVoteCounts.org) or [www.ss.ca.gov](http://www.ss.ca.gov).

## CANDIDATE STATEMENT INFORMATION

### United States Presidential Candidates and United States Senate Candidates

For information about the candidates running for the office of United States President and United States Senate, please visit the Secretary of State’s website or call our toll-free voter line:

[www.ss.ca.gov](http://www.ss.ca.gov)

1-800-345-VOTE (8683)

# POLITICAL PARTY STATEMENTS OF PURPOSE

## Democratic Party

The United States Government, especially a President, has two major responsibilities...the Economy and National Security.

Only a new Democratic President will make our country stronger in both areas.

Democrats have:

- Supported teachers and improved public education resulting in higher test scores
- Passed tough laws to keep assault weapons and Saturday Night Specials out of our neighborhoods and schools
- Passed HMO reform that gives health care decisions to patients and their doctors
- Led efforts to protect taxpayers and our pension funds from fraudulent corporate crooks

We need to re-elect Senator Barbara Boxer and support our Congressional and State Legislative candidates so they can keep on fighting to:

- Protect a woman's right to choose
- Reduce violent crimes in our neighborhoods and schools
- Protect Social Security and Medicare and add prescription drug coverage
- Help small businesses and pass balanced budgets
- Protect our environment
- End hate crimes

Democrats and Independents should contact us to build a greater California. We are the only party to invite Independents to vote in our Presidential primary.

SENATOR ART TORRES (Ret.), *Chairman*

California Democratic Party

1401 – 21st Street, #100, Sacramento, CA 95814-5221

916-442-5707

213-239-8730

FAX: 916-442-5715

E-mail: [info@ca-dem.org](mailto:info@ca-dem.org)

Website: [www.ca-dem.org](http://www.ca-dem.org)

## Natural Law Party

The Natural Law Party offers voters forward-looking, commonsense, prevention-oriented, scientifically proven solutions to America's problems. Our principles and programs are based upon the newest scientific knowledge revealed by quantum physics—the discovery of a unified field at the basis of all the diverse natural laws that govern our complex universe, the underlying unity of life, and the fundamental interconnectedness of all things.

We support:

- Innovative programs for developing the full potential of *all* our students, and local control of education
- Promoting more prosperous, harmonious international relations by exporting U.S. know-how rather than weapons, supporting a Department of Peace on the national level, and establishing a commission to research and recommend peaceful solutions to terrorism
- Ending special interest control of politics by eliminating PACs
- Revamping our health care system including the addition of natural health care programs shown to prevent disease and cut costs
- Ensuring a strong economy by lowering taxes responsibly and eliminating wasteful spending
- Field-tested crime prevention and rehabilitation

- Increasing renewable nonpolluting energy sources, thereby limiting our dependence on fossil fuels
- Strong environmental laws that ensure a healthy and pure environment
- Safeguarding America's food supply through sustainable, organic agricultural practices, and labeling and safety testing of genetically engineered foods

NATURAL LAW PARTY OF CALIFORNIA

P.O. Box 462, Felton, CA 95018

831-425-2201

FAX: 831-427-9230

E-mail: [nlpca@aol.com](mailto:nlpca@aol.com)

Website: <http://www.natural-law.org>

## Libertarian Party

The Libertarian Party is as American as apple pie.

Like you, we have jobs, businesses, families and dreams.

We've entered the political arena to restore liberty and American values. We're working toward a government that taxes and spends less, and won't interfere with your personal life.

If you describe yourself as socially tolerant and fiscally responsible, you're a Libertarian!

We believe you—not the government—should decide how to run your life, checkbook, retirement, education and family.

The Libertarian Party supports your right to:

- keep what you earn. Reduce or eliminate taxes whenever possible.
- run your own business and enjoy your property. Reducing regulations and paperwork creates more jobs, higher pay, and lower prices.
- educate your children as you see fit.
- choose your own lifestyle. The government shouldn't consider you a criminal because of your choices in relationships, recreation or medical treatment.
- truly equal treatment under the law regardless of race, gender, religion, sexuality, or personal characteristics.
- own a firearm. Self-defense is a right, not a political favor.

With over 60 elected Libertarians in California and over 525 officeholders countrywide, we're a real and growing choice.

Call 1-800-ELECT-US or go to <http://www.lp.org>.

Join us today!

Libertarian Party of California

14547 Titus Street, Suite 214, Panorama City, CA 91402-4935

1-800-ELECT-US (for inquiries)

1-877-884-1776 (California Headquarters)

E-mail: [office@ca.lp.org](mailto:office@ca.lp.org)

Website: [www.lp.org](http://www.lp.org)

## Republican Party

Republicans are proud of the leadership provided to our country by both Governor Arnold Schwarzenegger and President George W. Bush.

We seek to re-elect President Bush, Vice President Dick Cheney, and a new Republican U.S. Senator in 2004. After the tragedy of 9/11, the President and our party have focused on ridding the world of terror and keeping terrorists out of America. Thanks to President Bush's tax relief package, Californians can keep more of their own money to spend, save, and invest. The economy is responding to President Bush's pro-growth economic policies and all signs point to a strong recovery.

The order of the statements was determined by lot. Statements on this page were supplied by political parties and have not been checked for accuracy by any official agency.

The Republican Party, under the leadership of President Bush, is committed to building a safer, stronger, and better America.

Electing Republicans to office in California:

- Ensures excellent and accountable public schools for our children and grandchildren.
- Ensures affordable and accessible health care for children, families, and seniors.
- Keeps taxes low and keeps California's economy on track for economic recovery and growth.

Join us in building a better America and better California.

DUF SUNDHEIM, *Chairman*  
 The California Republican Party  
 Ronald Reagan California Republican Center  
 1903 West Magnolia Boulevard, Burbank, CA 91506  
 818-841-5210  
 Website: [www.cagop.org](http://www.cagop.org)

## American Independent Party

America and California need the leadership of the American Independent Party (California affiliate of the Constitution Party). We pledge to:

Stop the undeclared wars which are daily costing American lives and billions of tax dollars;

Stop reckless spending, including foreign aid, and take care of America's domestic needs;

End debt financing of both Federal and State governments;

Get rid of the Federal income tax, and restore a tariff-based revenue system;

Immediately terminate participation in international trade agreements such as NAFTA and the WTO, and stop sending high paying American jobs to foreign countries;

Reduce immigration, and stop all government subsidies to illegal aliens;

Defend America's moral values; keep God in the pledge of allegiance;

Protect the right to life of the innocent unborn;

Support high standards in education, including encouragement of private schools and home schooling;

Stop the rape of consumers and taxpayers by the energy/utility monopolies;

Defend Second Amendment rights;

Restore a debt-free, interest-free money system;

Get rid of the California car tax; no driver's licenses for illegals.

Vote American Independent—the only party fully supporting Chief Justice Roy Moore's courageous stand for the State's right to recognize God and the Ten Commandments.

JIM KING, *State Chairman*  
 American Independent Party  
 21225 Talisman Street, Torrance, CA 90503  
 619-460-4484  
 E-mail: [sdaip@earthlink.net](mailto:sdaip@earthlink.net)  
 Website: [www.aipca.org](http://www.aipca.org)

## Green Party

The Green Party represents working families and the otherwise forgotten middle-class. We want independent politics and responsible government that honors constitutional rights and civil liberties.

The dying two-party system serves only the wealthy corporations, trading favors for huge campaign contributions. It no longer represents small business owners, workers, and the poor, elderly and disenfranchised.

The Green Party is the fastest growing political party. Voters know it's time for change.

We're rebuilding the way government operates; we're not for sale. Instead of the corporate-driven system embracing consumption and nonsustainable competition, we practice these 10 Key Values:

Ecological Wisdom	Nonviolence
Grassroots Democracy	Feminism
Community-Based Economics	Personal and Global Responsibility
Social Justice	Respect for Diversity
Decentralization	Sustainability

Increasingly, voters elect Greens on citywide, county and state levels, with over 180 officeholders nationwide. Greens also work between elections on community issues. This activism is fundamental to our grassroots values. We walk our talk.

We advocate universal health care, alternative energy, election reform, living wages and sustainable business practices. We're working to restore the quality of our everyday lives and communities.

Green Party of California  
 P.O. Box 2828, Sacramento, CA 95812  
 916-448-3437  
 E-mail: [gpc@greens.org](mailto:gpc@greens.org)  
 Website: [www.cagreens.org](http://www.cagreens.org), [www.cagreens.org/platform](http://www.cagreens.org/platform)

## Peace and Freedom Party

You can vote for the rights and needs of working-class people in California and throughout the world.

Vote for meaningful work for all; double the minimum wage. End poverty and homelessness.

Vote for free, quality health care and education for all.

Vote to tax the rich to meet human needs.

Vote for complete protection and restoration of our environment.

Vote to let people throughout the world determine how to govern themselves. Bring home all U.S. troops and fire all agents who are sent to promote and protect corporate profits. End all foreign military aid.

Vote to end discrimination against all oppressed groups, making it possible for all to participate democratically and share equally.

Capitalism uses our labor and natural resources to create profit for a few. It causes war, environmental destruction, poverty, and inequality.

We working-class people need our own party. We can't expect parties controlled by corporations and the rich to act in our interests.

If we work together, we can change the system. We can create a socialist society in which we democratically and cooperatively use nature's resources, our labor and our social wealth for the common good.

Register and vote Peace and Freedom Party.

Peace and Freedom Party  
 P.O. Box 24764, Oakland, CA 94623  
 510-465-9414  
 Website: [www.peaceandfreedom.org](http://www.peaceandfreedom.org)

# COUNTY ELECTIONS OFFICIALS

## **ALAMEDA COUNTY**

Registrar of Voters  
1225 Fallon Street, Room G-1  
Oakland, CA 94612-4283  
510-663-8683  
[www.acgov.org/rov](http://www.acgov.org/rov)

## **ALPINE COUNTY**

P.O. Box 158  
Markleeville, CA 96120  
530-694-2281  
[www.alpinecountyca.com](http://www.alpinecountyca.com)

## **AMADOR COUNTY**

Elections  
500 Argonaut Lane  
Jackson, CA 95642  
209-223-6465

## **BUTTE COUNTY**

County Clerk-Registrar of Voters  
25 County Center Dr., Ste. I  
Oroville, CA 95965-3375  
530-538-7761  
<http://clerk-recorder.buttecounty.net>

## **CALAVERAS COUNTY**

Elections Department  
891 Mountain Ranch Road  
San Andreas, CA 95249-0971  
209-754-6376  
[www.co.calaveras.ca.us](http://www.co.calaveras.ca.us)

## **COLUSA COUNTY**

Hall of Records  
546 Jay Street  
Colusa, CA 95932  
530-458-0500  
[www.colusacountyclerk.com](http://www.colusacountyclerk.com)

## **CONTRA COSTA COUNTY**

P.O. Box 271  
524 Main Street  
Martinez, CA 94553  
925-646-4166  
[www.co.contra-costa.ca.us/  
depart/elect/index.htm](http://www.co.contra-costa.ca.us/department/elect/index.htm)

## **DEL NORTE COUNTY**

981 "H" Street, Suite 160  
Crescent City, CA 95531  
707-465-0383

## **EL DORADO COUNTY**

Elections Department  
2850 Fairlane Court  
P.O. Box 678001  
Placerville, CA 95667-8001  
530-621-7480  
[www.co.el-dorado.ca.us/elections](http://www.co.el-dorado.ca.us/elections)

## **FRESNO COUNTY**

2221 Kern Street  
Fresno, CA 93721  
559-488-3246  
[www.fresno.ca.gov](http://www.fresno.ca.gov)

## **GLENN COUNTY**

Elections  
516 W. Sycamore Street, 2nd Floor  
Willows, CA 95988  
530-934-6414  
[www.countyofglenn.net/dept/  
elections/default.asp](http://www.countyofglenn.net/dept/elections/default.asp)

## **HUMBOLDT COUNTY**

3033 H Street, Rm. 20  
Eureka, CA 95501  
707-445-7678  
[www.co.humboldt.ca.us/election/](http://www.co.humboldt.ca.us/election/)

## **IMPERIAL COUNTY**

Registrar of Voters  
940 Main Street, Suite 202  
El Centro, CA 92243  
760-482-4226  
[www.imperialcounty.net/election/](http://www.imperialcounty.net/election/)

## **INYO COUNTY**

Elections  
P.O. Box F  
Independence, CA 93526  
760-878-0224  
[www.countyofinyo.org](http://www.countyofinyo.org)

## **KERN COUNTY**

Elections  
1115 Truxtun Avenue  
Bakersfield, CA 93301  
661-868-3590  
1-800-452-8683  
[www.co.kern.ca.us/elections/](http://www.co.kern.ca.us/elections/)

## **KINGS COUNTY**

Elections  
1400 W. Lacey Blvd.  
Hanford, CA 93230  
559-582-3211 Ext. 4401  
[www.countyofkings.com](http://www.countyofkings.com)

## **LAKE COUNTY**

Registrar of Voters  
255 North Forbes Street, Rm. 209  
Lakeport, CA 95453-4748  
707-263-2372  
[www.co.lake.ca.us/countygovernment/  
elections/votinginformation.html](http://www.co.lake.ca.us/countygovernment/elections/votinginformation.html)

## **LASSEN COUNTY**

220 S. Lassen Street, Suite 5  
Susanville, CA 96130  
530-251-8216  
<http://clerk.lassencounty.org>

## **LOS ANGELES COUNTY**

12400 Imperial Highway  
Norwalk, CA 90650-8350  
562-462-2748  
[www.lavote.net](http://www.lavote.net)

## **MADERA COUNTY**

Registrar of Voters  
209 W. Yosemite Avenue  
Madera, CA 93637  
559-675-7720  
[www.madera-county.com](http://www.madera-county.com)

## **MARIN COUNTY**

3501 Civic Center Drive, Rm. 121  
San Rafael, CA 94903-3904  
P.O. Box E (Mailing Address)  
San Rafael, CA 94913  
415-499-6456  
[www.co.marin.ca.us](http://www.co.marin.ca.us)

## **MARIPOSA COUNTY**

4982 - 10th Street  
P.O. Box 247  
Mariposa, CA 95338  
209-966-2007

## **MENDOCINO COUNTY**

501 Low Gap Road, Room 1020  
Ukiah, CA 95482  
707-463-4371  
[www.co.mendocino.ca.us/acr/index.html](http://www.co.mendocino.ca.us/acr/index.html)

## **MERCED COUNTY**

2222 "M" Street, Room 14  
Merced, CA 95340  
209-385-7541  
[www.co.merced.ca.us](http://www.co.merced.ca.us)

## **MODOC COUNTY**

County Clerk/Elections Office  
P.O. Box 130  
Alturas, CA 96101-0131  
530-233-6201

## **MONO COUNTY**

P.O. Box 237  
Bridgeport, CA 93517  
760-932-5537

## **MONTEREY COUNTY**

1370 B South Main Street  
P.O. Box 1848  
Salinas, CA 93901  
831-796-1499  
[www.montereycountyelections.us](http://www.montereycountyelections.us)

## **NAPA COUNTY**

900 Coombs Street #256  
Napa, CA 94559-2946  
707-253-4321  
[www.co.napa.ca.us](http://www.co.napa.ca.us)

## **NEVADA COUNTY**

Elections  
10433 Willow Valley Road, Suite E  
Nevada City, CA 95959  
530-265-1298  
[www.mynevadacounty.com/elections](http://www.mynevadacounty.com/elections)

## **ORANGE COUNTY**

Registrar of Voters  
P.O. Box 11298  
Santa Ana, CA 92711  
714-567-7600  
[www.oc.ca.gov/election](http://www.oc.ca.gov/election)

## PLACER COUNTY

2956 Richardson Drive  
P.O. Box 5278  
Auburn, CA 95603  
530-886-5650  
[www.placer.ca.gov/elections](http://www.placer.ca.gov/elections)

## PLUMAS COUNTY

County Clerk/Elections Office  
520 Main Street, Room 102  
Quincy, CA 95971  
530-283-6256  
[www.countyofplumas.com](http://www.countyofplumas.com)

## RIVERSIDE COUNTY

Registrar of Voters  
2724 Gateway Drive  
Riverside, CA 92507-0918  
909-486-7200  
[www.voteinfo.net](http://www.voteinfo.net)

## SACRAMENTO COUNTY

Voter Registration & Elections  
7000 65th Street, Suite A  
Sacramento, CA 95823-2315  
916-875-6276  
[www.co.sacramento.ca.us/elections](http://www.co.sacramento.ca.us/elections)

## SAN BENITO COUNTY

Courthouse  
440 Fifth Street, Room 206  
Hollister, CA 95023-3843  
831-636-4016

## SAN BERNARDINO COUNTY

Registrar of Voters  
777 East Rialto Avenue  
San Bernardino, CA 92415-0770  
909-387-8300  
[www.sbcrov.com](http://www.sbcrov.com)

## SAN DIEGO COUNTY

Registrar of Voters  
5201 Ruffin Road, Suite I  
San Diego, CA 92123  
858-565-5800  
[www.sdvote.com](http://www.sdvote.com)

## SAN FRANCISCO COUNTY

City Hall  
1 Dr. Carlton B. Goodlett Place, Room 4  
San Francisco, CA 94102  
415-554-4375  
[www.sfgov.org/elections](http://www.sfgov.org/elections)

## SAN JOAQUIN COUNTY

Registrar of Voters  
212 N. San Joaquin Street  
Stockton, CA 95201  
209-468-2890  
[www.co.san-joaquin.ca.us/elect](http://www.co.san-joaquin.ca.us/elect)

## SAN LUIS OBISPO COUNTY

Elections Division  
1144 Monterey Street, Suite A  
San Luis Obispo, CA 93408  
805-781-5228  
[www.sloelections.org](http://www.sloelections.org)

## SAN MATEO COUNTY

Registration and Elections Division  
40 Tower Road  
San Mateo, CA 94402  
650-312-5222  
[www.shapethefuture.org](http://www.shapethefuture.org)

## SANTA BARBARA COUNTY

1100 Anacapa St., 2nd Flr.  
(Mailing: P.O. Box 159)  
Santa Barbara, CA 93102  
805-568-2200 or  
1-800-SBC-VOTE  
[www.sb-democracy.com](http://www.sb-democracy.com)

## SANTA CLARA COUNTY

1555 Berger Drive, Building #2  
San Jose, CA 95112  
408-299-VOTE (8683)  
[www.sccvote.org](http://www.sccvote.org)

## SANTA CRUZ COUNTY

701 Ocean Street, Room 210  
Santa Cruz, CA 95060-4076  
831-454-2060  
[www.votescount.com](http://www.votescount.com)

## SHASTA COUNTY

1643 Market Street  
Redding, CA 96001  
(Mailing: P.O. Box 990880)  
Redding, CA 96099-0880)  
530-225-5730  
[www.co.shasta.ca.us](http://www.co.shasta.ca.us)

## SIERRA COUNTY

County Clerk-Recorder  
100 Courthouse Square, Rm. 11  
P.O. Drawer D  
Downieville, CA 95936  
530-289-3295  
[www.sierracounty.ws](http://www.sierracounty.ws)

## SISKIYOU COUNTY

311 Fourth Street, Room 201  
P.O. Box 338  
Yreka, CA 96097-0338  
530-842-8086  
[www.co.siskiyou.ca.us](http://www.co.siskiyou.ca.us)

## SOLANO COUNTY

Registrar of Voters  
510 Clay Street  
P.O. Box I  
Fairfield, CA 94533  
707-421-6675  
1-888-933-VOTE (8683)  
[www.solanocounty.com/elections](http://www.solanocounty.com/elections)

## SONOMA COUNTY

435 Fiscal Drive  
Santa Rosa, CA 95403  
P.O. Box 11485 (95406-1485)  
707-565-6800  
1-800-750-VOTE  
[www.sonoma-county.org/regvoter](http://www.sonoma-county.org/regvoter)

## STANISLAUS COUNTY

County Clerk-Recorder  
1021 "I" Street, Suite 101  
Modesto, CA 95354-2331  
209-525-5200  
[www.stanvote.com](http://www.stanvote.com)

## SUTTER COUNTY

Registrar of Voters  
463 Second Street  
Yuba City, CA 95991  
530-822-7122  
[www.suttercounty.org](http://www.suttercounty.org)

## TEHAMA COUNTY

444 Oak Street, Room C  
P.O. Box 250  
Red Bluff, CA 96080  
530-527-8190  
[www.co.tehama.ca.us](http://www.co.tehama.ca.us)

## TRINITY COUNTY

Elections  
101 Court Street  
P.O. Box 1215  
Weaverville, CA 96093-1215  
530-623-1220  
[www.trinitycounty.org/elections](http://www.trinitycounty.org/elections)

## TULARE COUNTY

Elections  
221 S. Mooney Blvd., Room G-28  
Visalia, CA 93291-4596  
559-733-6275  
[www.tularecoauditor.org/elections](http://www.tularecoauditor.org/elections)

## TUOLUMNE COUNTY

County Clerk & Elections Dept.  
39 N. Washington Street, Suite A  
(Mailing: 2 S. Green Street)  
Sonora, CA 95370  
209-533-5570

## VENTURA COUNTY

Elections Division  
800 S. Victoria Avenue, L-1200  
Ventura, CA 93009-1200  
805-654-2664  
[www.ventura.org/election/elecidx.htm](http://www.ventura.org/election/elecidx.htm)

## YOLO COUNTY

625 Court Street, Room B05  
Woodland, CA 95695  
P.O. Box 1820  
Woodland, CA 95776-1820  
530-666-8133  
[www.yoloelections.org](http://www.yoloelections.org)

## YUBA COUNTY

Elections  
935 14th Street, Ste. 107  
Marysville, CA 95901  
530-741-6545  
[www.co.yuba.ca.us](http://www.co.yuba.ca.us)

## NEED TO FIND YOUR POLLING PLACE?

Visit our website at [www.ss.ca.gov](http://www.ss.ca.gov) and click on the polling place icon.



Your **polling place location** is also listed on the back cover of your Sample Ballot that is mailed to you by your county elections official.

Call your **County Elections Office** for assistance.

## WANT TO EARN MONEY AND MAKE A DIFFERENCE? SERVE AS A POLLWORKER ON ELECTION DAY!

You can serve as a pollworker if you are:

- A Registered Voter  
— OR —
- A High School Student, who:
  - Is a United States citizen
  - Is at least 16 years old at the time he or she will be serving
  - Is a senior with a GPA of at least 2.5
  - Is a student in good standing at a public or private school

You can take time off work to serve as a pollworker, without losing pay if:

- You are a state employee
- You provide adequate notice to your department, and your manager or supervisor approves the request

In addition to gaining experience, pollworkers can earn extra money for their valuable service on Election Day. Contact your local elections official, or call 1-800-345-VOTE, for more information on becoming a pollworker.

# THE PROCESS OF VOTING ABSENTEE

Any registered voter may vote by absentee ballot. Rather than go to the polls to cast a ballot on Election Day, you may apply for an absentee ballot, which you will need to complete and return to your elections official.

To apply for an absentee ballot, you may use the application printed on your Sample Ballot, which you will receive prior to every election, or apply in writing to your county elections official. You will need to submit a completed application or letter to your county elections official between 29 days and 7 days before the election. The application or letter must contain:

1. your name and residence address as stated on your registration card;
2. the address to which the absentee ballot should be sent (if different than your registered address);
3. the name and date of the election in which you would like to vote absentee; and
4. the date and your signature.

Once your application is processed by your county elections official, the proper ballot type/style will be sent to you. After you have voted, insert your ballot in the envelope provided for this purpose, making sure you complete all required information on the envelope. You may return your voted absentee ballot by:

1. mailing it to your county elections official;
2. returning it in person to a polling place or elections office within your county on Election Day; or
3. authorizing a legally allowable third party (relative or person residing in the same household as you) to return the ballot on your behalf.

Regardless of how the ballot is returned, it **MUST** be received by the time polls close (8 p.m.) on Election Day. Late-arriving absentee ballots are not counted.

Once your voted absentee ballot is received by your county elections official, your signature on the absentee ballot return envelope will be compared to the signature on your voter registration card to determine that you are the authorized voter. To preserve the secrecy of your ballot, the ballot will then be separated from the envelope and the ballot becomes as anonymous and secret as any other ballot.

## **APPLY TO BE A PERMANENT VOTE-BY-MAIL VOTER:**

Any voter may apply for PERMANENT ABSENT VOTER STATUS (Elections Code §3201). These voters are automatically sent a vote-by-mail ballot for every election without having to fill out an application every time. Please contact your county elections official to apply to become a permanent vote-by-mail voter if you wish to receive vote-by-mail ballots for all future elections. To find out who your county elections official is, go to page 18 of this guide or online at [www.ss.ca.gov/elections/elections\\_d.htm](http://www.ss.ca.gov/elections/elections_d.htm) to see a list of contact information for all county elections officials.

## HAVE YOU MOVED?

When you move to a new address, you should update your voter registration. This is important so that you can receive election information in the mail, and also to make sure you get to vote for all the appropriate candidates and measures.

However, if you move to a new address *in the same county* as your old address, and you have not updated your registration, there is a “fail-safe” law that says you can still vote.

To do so, you must go to the polling place appropriate for your new address. To find your polling place, see page 20 of this booklet.

Because your voter registration does not reflect your current address, your name will not be on the list of voters at the polling place but you can request a “**provisional**” ballot. This is just like a regular ballot, but it is inserted into a special envelope and will only be counted after the elections official checks to make sure you are properly registered to vote. Be sure to sign the envelope!

If you move to a new address in a different county than your old address, you must re-register to vote and the “fail-safe” process does not apply.

The last day to register to vote for the March 2, 2004, Presidential Primary Election is February 17, 2004.

(NOTE: If you moved to your new address after February 17th, you can return to your old polling place to vote.)

## WHAT IS HAVA?

The federal Help America Vote Act of 2002 or HAVA was signed into law by the President in October 2002. It is intended to prevent the problems that were experienced in Florida at the November 2000 presidential election by providing for the modernization of voting systems, elections official and pollworker training, voter education, accessibility to voting systems by individuals with disabilities or with alternative language needs, a statewide database, a complaint procedure, provisional balloting, and other changes. Many of the reforms contained in HAVA are patterned after existing California State law. However, all of the provisions of HAVA are being implemented to ensure that every valid vote counts. For more information regarding the implementation of HAVA in California, please see [www.MyVoteCounts.org](http://www.MyVoteCounts.org).

## Proposition 55

This law proposed by Assembly Bill 16 of the 2001–2002 Regular Session (Chapter 33, Statutes of 2002) is submitted to the people in accordance with the provisions of Article XVI of the California Constitution.

This proposed law adds sections to the Education Code; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

### PROPOSED LAW

SEC. 31. Part 68.2 (commencing with Section 100800) is added to the Education Code, to read:

#### PART 68.2. KINDERGARTEN–UNIVERSITY PUBLIC EDUCATION FACILITIES BOND ACT OF 2004

##### CHAPTER 1. GENERAL

100800. This part shall be known and may be cited as the Kindergarten–University Public Education Facilities Bond Act of 2004.

100801. The incorporation of, or reference to, any provision of California statutory law in this part includes all acts amendatory thereof and supplementary thereto.

100803. (a) Bonds in the total amount of twelve billion three hundred million dollars (\$12,300,000,000), not including the amount of any refunding bonds issued in accordance with Sections 100844 and 100955, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this part and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of the principal of, and interest on, the bonds as the principal and interest become due and payable.

(b) Pursuant to this section, the Treasurer shall sell the bonds authorized by the State School Building Finance Committee established by Section 15909 or the Higher Education Facilities Finance Committee established pursuant to Section 67353, as the case may be, at any different times necessary to service expenditures required by the apportionments.

##### CHAPTER 2. KINDERGARTEN THROUGH 12TH GRADE

#### Article 1. Kindergarten Through 12th Grade School Facilities Program Provisions

100810. The proceeds of bonds issued and sold pursuant to Article 2 (commencing with Section 100825) shall be deposited in the 2004 State School Facilities Fund, which is established in Section 17070.40, and shall be allocated by the State Allocation Board pursuant to this chapter.

100815. All moneys deposited in the 2004 State Facilities Fund for the purposes of this chapter shall be available and, notwithstanding any other provision of law to the contrary, are hereby appropriated to provide aid to school districts, county superintendents of schools, and county boards of education of the state in accordance with the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part 10), as set forth in Section 100820, to provide funds to repay any money advanced or loaned to the 2004 State School Facilities Fund under any act of the Legislature, together with interest provided for in that act, and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code.

100820. (a) The proceeds from the sale of bonds, issued and sold for the purposes of this chapter, shall be allocated in accordance with the following schedule:

(1) The amount of five billion two hundred sixty million dollars (\$5,260,000,000) for project funding for new construction of school facilities of applicant school districts under Chapter 12.5 (commencing with Section 17070.10) of Part 10, including, but not limited to, hardship applications.

(A) Of the amount allocated pursuant to this paragraph, up to three hundred million dollars (\$300,000,000) shall be available for providing school facilities to charter schools pursuant to a statute enacted after the effective date of the act enacting this section.

(B) If the Housing and Emergency Shelter Trust Fund Act of 2002 is submitted to the voters at the November 5, 2002, general election and fails passage by the voters, of the amount allocated pursuant to this paragraph, twenty-five million dollars (\$25,000,000) shall be available for the purposes of Sections 51451.5, 51453, and 51455 of the Health and Safety Code.

(2) The amount of two billion two hundred fifty million dollars (\$2,250,000,000) for the modernization of school facilities pursuant to Chapter 12.5 (commencing with Section 17070.10) of Part 10, including, but not limited to, hardship applications.

(3) The amount of two billion four hundred forty million dollars (\$2,440,000,000) for deposit into the 2004 Critically Overcrowded School Facilities Account established within the 2004 State School Facilities Fund pursuant to subdivision (e) of Section 17078.10 for the purposes set forth in Article 11 (commencing with Section 17078.10) of Chapter 12.5 of Part 10 relating to critically overcrowded schools, including, but not limited to, hardship applications, and any other new construction or modernization projects as authorized pursuant to Section 17078.30.

(4) The amount of fifty million dollars (\$50,000,000) for the purposes set forth in Article 10.6 (commencing with Section 17077.40) of Chapter 12.5 of Part 10 relating to joint-use projects, including, but not limited to, hardship applications.

(b) School districts may use funds allocated pursuant to paragraph (2) of subdivision (a) only for one or more of the following purposes in accordance with Chapter 12.5 (commencing with Section 17070.10) of Part 10:

(1) The purchase and installation of air-conditioning equipment and insulation materials, and related costs.

(2) Construction projects or the purchase of furniture or equipment designed to increase school security or playground safety.

(3) The identification, assessment, or abatement in school facilities of hazardous asbestos.

(4) Project funding for high priority roof replacement projects.

(5) Any other modernization of facilities pursuant to Chapter 12.5 (commencing with Section 17070.10) of Part 10.

(c) Funds allocated pursuant to paragraph (1) of subdivision (a) may, also, be utilized to provide new construction grants for eligible applicant county boards of education under Chapter 12.5 (commencing with Section 17070.10) of Part 10 for funding classrooms for severely handicapped pupils, or for funding classrooms for county community school pupils.

(d) (1) The Legislature may amend this section to adjust the funding amounts specified in paragraphs (1) to (4), inclusive, of subdivision (a), only by either of the following methods:

(A) By a statute, passed in each house of the Legislature by rollcall vote entered in the respective journals, by not less than two-thirds of the membership in each house concurring, if the statute is consistent with, and furthers the purposes of, this chapter.

(B) By a statute that becomes effective only when approved by the voters.

(2) Amendments pursuant to this subdivision may adjust the amounts to be expended pursuant to paragraphs (1) to (4), inclusive, of subdivision (a), but may not increase or decrease the total amount to be expended pursuant to that subdivision.

(e) From the total amounts set forth in paragraphs (1) to (4), inclusive, of subdivision (a), a total of no more than twenty million dollars (\$20,000,000) shall be used for the costs of energy conservation adjustments authorized pursuant to Section 17077.35.

(f) Funds available pursuant to this section may be used for acquisition of school facilities authorized pursuant to Section 17280.5.

#### Article 2. Kindergarten Through 12th Grade School Facilities Fiscal Provisions

100825. (a) Of the total amount of bonds authorized to be issued and sold pursuant to Chapter 1 (commencing with Section 100800), bonds in the total amount of ten billion dollars (\$10,000,000,000), not including the amount of any refunding bonds issued in accordance with Section 100844, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full

Proposition 55 (cont.)

faith and credit of the State of California is hereby pledged for the punctual payment of the principal of, and interest on, the bonds as the principal and interest become due and payable.

(b) Pursuant to this section, the Treasurer shall sell the bonds authorized by the State School Building Finance Committee established pursuant to Section 15909 at any different times necessary to service expenditures required by the apportionments.

100827. The State School Building Finance Committee, established by Section 15909 and composed of the Governor, the Controller, the Treasurer, the Director of Finance, and the Superintendent of Public Instruction, or their designated representatives, all of whom shall serve thereon without compensation, and a majority of whom shall constitute a quorum, is continued in existence for the purpose of this chapter. The Treasurer shall serve as chairperson of the committee. Two Members of the Senate appointed by the Senate Committee on Rules, and two Members of the Assembly appointed by the Speaker of the Assembly, shall meet with and provide advice to the committee to the extent that the advisory participation is not incompatible with their respective positions as Members of the Legislature. For the purposes of this chapter, the Members of the Legislature shall constitute an interim investigating committee on the subject of this chapter and, as that committee, shall have the powers granted to, and duties imposed upon, those committees by the Joint Rules of the Senate and the Assembly. The Director of Finance shall provide assistance to the committee as it may require. The Attorney General of the state is the legal adviser of the committee.

100830. (a) The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all of the provisions of that law, except Section 16727 of the Government Code, apply to the bonds and to this chapter and are hereby incorporated into this chapter as though set forth in full within this chapter.

(b) For purposes of the State General Obligation Bond Law, the State Allocation Board is designated the "board" for purposes of administering the 2004 State School Facilities Fund.

100832. Upon request of the State Allocation Board from time to time, supported by a statement of the apportionments made and to be made for the purposes described in Sections 100815 and 100820, the State School Building Finance Committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to fund the apportionments and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to fund those apportionments progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

100834. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year. It is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act that is necessary to collect that additional sum.

100835. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this chapter, an amount that will equal the total of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this chapter, as the principal and interest become due and payable.

(b) The sum necessary to carry out Section 100840, appropriated without regard to fiscal years.

100836. The State Allocation Board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account or any other approved form of interim financing, in accordance with Section 16312 of the Government Code, for the purpose of carrying out this chapter. The amount of the request shall not exceed the amount of the unsold bonds that the committee, by resolution, has authorized to be sold for the purpose of carrying out this chapter. The board shall execute any documents required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the board in accordance with this chapter.

100838. Notwithstanding any other provision of this chapter, or of the State General Obligation Bond Law, if the Treasurer sells bonds pursuant

to this chapter that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes, subject to designated conditions, the Treasurer may maintain separate accounts for the investment of bond proceeds and for the investment earnings on those proceeds. The Treasurer may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or take any other action with respect to the investment and use of those bond proceeds required or desirable under federal law to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

100840. For the purposes of carrying out this chapter, the Director of Finance may authorize the withdrawal from the General Fund of an amount not to exceed the amount of the unsold bonds that have been authorized by the State School Building Finance Committee to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the 2004 State School Facilities Fund consistent with this chapter. Any money made available under this section shall be returned to the General Fund, plus an amount equal to the interest that the money would have earned in the Pooled Money Investment Account, from proceeds received from the sale of bonds for the purpose of carrying out this chapter.

100842. All money deposited in the 2004 State School Facilities Fund, that is derived from premium and accrued interest on bonds sold shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

100844. The bonds may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code, which is a part of the State General Obligation Bond Law. Approval by the voters of the state for the issuance of the bonds described in this chapter includes the approval of the issuance of any bonds issued to refund any bonds originally issued under this chapter or any previously issued refunding bonds.

100846. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this chapter are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

CHAPTER 3. HIGHER EDUCATION FACILITIES

Article 1. General

100850. (a) The system of public higher education in this state includes the University of California, the Hastings College of the Law, the California State University, the California Community Colleges, and their respective off-campus centers.

(b) The 2004 Higher Education Capital Outlay Bond Fund is hereby established in the State Treasury for deposit of funds from the proceeds of bonds issued and sold for the purposes of this chapter.

(c) The Higher Education Facilities Finance Committee established pursuant to Section 67353 is hereby authorized to create a debt or debts, liability or liabilities, of the State of California pursuant to this chapter for the purpose of providing funds to aid the University of California, the Hastings College of the Law, the California State University, and the California Community Colleges.

Article 2. Program Provisions Applicable to the University of California and the Hastings College of the Law

100852. (a) From the proceeds of bonds issued and sold pursuant to Article 5 (commencing with Section 100900), the sum of six hundred ninety million dollars (\$690,000,000) shall be deposited in the 2004 Higher Education Capital Outlay Bond Fund for the purposes of this article. When appropriated, these funds shall be available for expenditure for the purposes of this article.

(b) The purposes of this article include assisting in meeting the capital outlay financing needs of the University of California and the Hastings College of the Law.

(c) Proceeds from the sale of bonds issued and sold for the purposes of this article may be used to fund construction on existing campuses, including the construction of buildings and the acquisition of related fixtures, construc-

**Proposition 55 (cont.)**

tion of facilities that may be used by more than one segment of public higher education (intersegmental), the renovation and reconstruction of facilities, site acquisition, the equipping of new, renovated, or reconstructed facilities, which equipment shall have an average useful life of 10 years; and to provide funds for the payment of preconstruction costs, including, but not limited to, preliminary plans and working drawings for facilities of the University of California and the Hastings College of the Law.

**Article 3. Program Provisions Applicable to the California State University**

100853. (a) From the proceeds of bonds issued and sold pursuant to Article 5 (commencing with Section 100900), the sum of six hundred ninety million dollars (\$690,000,000) shall be deposited in the 2004 Higher Education Capital Outlay Bond Fund for the purposes of this article. When appropriated, these funds shall be available for expenditure for the purposes of this article.

(b) The purposes of this article include assisting in meeting the capital outlay financing needs of the California State University.

(c) Proceeds from the sale of bonds issued and sold for the purposes of this article may be used to fund construction on existing campuses, including the construction of buildings and the acquisition of related fixtures, construction of facilities that may be used by more than one segment of public higher education (intersegmental), the renovation and reconstruction of facilities, site acquisition, the equipping of new, renovated, or reconstructed facilities, which equipment shall have an average useful life of 10 years; and to provide funds for the payment of preconstruction costs, including, but not limited to, preliminary plans and working drawings for facilities of the California State University.

**Article 4. Program Provisions Applicable to the California Community Colleges**

100854. (a) From the proceeds of bonds issued and sold pursuant to Article 5 (commencing with Section 100900), the sum of nine hundred twenty million dollars (\$920,000,000) shall be deposited in the 2004 Higher Education Capital Outlay Bond Fund for the purposes of this article. When appropriated, these funds shall be available for expenditure for the purposes of this article.

(b) The purposes of this article include assisting in meeting the capital outlay financing needs of the California Community Colleges.

(c) Proceeds from the sale of bonds issued and sold for the purposes of this article may be used to fund construction on existing campuses, including the construction of buildings and the acquisition of related fixtures, construction of facilities that may be used by more than one segment of public higher education (intersegmental), the renovation and reconstruction of facilities, site acquisition, the equipping of new, renovated, or reconstructed facilities, which equipment shall have an average useful life of 10 years; and to provide funds for the payment of preconstruction costs, including, but not limited to, preliminary plans and working drawings for facilities of the California Community Colleges.

**Article 5. Higher Education Fiscal Provisions**

100900. (a) Of the total amount of bonds authorized to be issued and sold pursuant to Chapter 1 (commencing with Section 100800), bonds in the total amount of two billion three hundred million dollars (\$2,300,000,000), not including the amount of any refunding bonds issued in accordance with Section 100955, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of the principal of, and interest on, the bonds as the principal and interest become due and payable.

(b) It is the intent of the Legislature that the University of California, the California State University, and the California Community Colleges annually consider, as part of their annual capital outlay planning process, the inclusion of facilities that may be used by more than one segment of public

higher education (intersegmental), and, that on or before May 15th of each year, those entities report their findings to the budget committees of each house of the Legislature.

(c) Pursuant to this section, the Treasurer shall sell the bonds authorized by the Higher Education Facilities Finance Committee established pursuant to Section 67353 at any different times necessary to service expenditures required by the apportionments.

100910. (a) The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all of the provisions of that law, except Section 16727 of the Government Code, apply to the bonds and to this chapter and are hereby incorporated into this chapter as though set forth in full within this chapter.

(b) For the purposes of the State General Obligation Bond Law, each state agency administering an appropriation of the 2004 Higher Education Capital Outlay Bond Fund is designated as the "board" for projects funded pursuant to this chapter.

(c) The proceeds of the bonds issued and sold pursuant to this chapter shall be available for the purpose of funding aid to the University of California, the Hastings College of the Law, the California State University, and the California Community Colleges, for the construction on existing or new campuses, and their respective off-campus centers and joint use and intersegmental facilities, as set forth in this chapter.

100920. The Higher Education Facilities Finance Committee established pursuant to Section 67353 shall authorize the issuance of bonds under this chapter only to the extent necessary to fund the apportionments for the purposes described in this chapter that are expressly authorized by the Legislature in the annual Budget Act. Pursuant to that legislative direction, the committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to carry out the purposes described in this chapter and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

100925. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year. It is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act which is necessary to collect that additional sum.

100930. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this chapter, an amount that will equal the total of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this chapter, as the principal and interest become due and payable.

(b) The sum necessary to carry out Section 100945, appropriated with-out regard to fiscal years.

100935. The board, as defined in subdivision (b) of Section 100910, may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account or any other approved form of interim financing, in accordance with Section 16312 of the Government Code, for the purpose of carrying out this chapter. The amount of the request shall not exceed the amount of the unsold bonds that the committee, by resolution, has authorized to be sold for the purpose of carrying out this chapter. The board, as defined in subdivision (b) of Section 100910, shall execute any documents required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the board in accordance with this chapter.

100940. Notwithstanding any other provision of this chapter, or of the State General Obligation Bond Law, if the Treasurer sells bonds pursuant to this chapter that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes, subject to designated conditions, the Treasurer may maintain separate accounts for the investment of bond proceeds and for the investment earnings on those proceeds. The Treasurer may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or take any other action with respect to the investment and use of those bond proceeds required

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or desirable under federal law to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

100945. (a) For the purposes of carrying out this chapter, the Director of Finance may authorize the withdrawal from the General Fund of an amount not to exceed the amount of the unsold bonds that have been authorized by the Higher Education Facilities Finance Committee to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the 2004 Higher Education Capital Outlay Bond Fund consistent with this chapter. Any money made available under this section shall be returned to the General Fund, plus an amount equal to the interest that the money would have earned in the Pooled Money Investment Account, from proceeds received from the sale of bonds for the purpose of carrying out this chapter.

(b) Any request forwarded to the Legislature and the Department of Finance for funds from this bond issue for expenditure for the purposes described in this chapter by the University of California, the Hastings College of the Law, the California State University, or the California Community Colleges shall be accompanied by the five-year capital outlay plan. Requests forwarded by a university or college shall include a schedule that prioritizes the seismic retrofitting needed to significantly reduce, in the judgment of the par-

ticular university or college, seismic hazards in buildings identified as high priority by the university or college. Requests forwarded by the California Community Colleges shall be accompanied by a five-year capital outlay plan reflecting the needs and priorities of the community college system, prioritized on a statewide basis.

100950. All money deposited in the 2004 Higher Education Capital Outlay Bond Fund that is derived from premium and accrued interest on bonds sold shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

100955. The bonds may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code, which is a part of the State General Obligation Bond Law. Approval by the voters of the state for the issuance of the bonds described in this chapter includes the approval of the issuance of any bonds issued to refund any bonds originally issued under this chapter or any previously issued refunding bonds.

100960. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this chapter are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

Proposition 56

This initiative measure is submitted to the people in accordance with the provisions of Section 8 of Article II of the California Constitution.

This initiative measure amends the California Constitution and adds sections to the Elections Code and the Government Code; therefore, existing provisions proposed to be deleted are printed in ~~strikeout type~~ and new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED LAW

SECTION 1. Title

This measure shall be known and may be cited as the "Budget Accountability Act."

SEC. 2. Findings and Declaration of Purpose

The People of the State of California find and declare that:

The Budget Accountability Act is designed to end the budget delays that have created a fiscal crisis in our state. The purpose of this measure is to enact a comprehensive reform of the state budget process designed to hold the Governor and Legislature more accountable to the People of California by producing more responsible and timely state budgets.

(a) After the Governor introduces the budget, the State Legislature and Governor have almost six months to complete the budget on time. However, the State Legislature has not passed a budget on time since 1986.

(b) The State Legislature and the Governor face no consequences when they fail to meet the budget deadline imposed by the State Constitution. They can continue to collect their salary and expense allowances. They are not required to continue to work on the budget. In fact, they can even go on vacation.

(c) In order to hold elected officials accountable, voters are entitled to know how their tax dollars are spent each year and how their state representatives vote on the budget and taxes. Currently voters do not have easy access to this information.

(d) The two-thirds vote requirement to pass a state budget and related taxes has contributed to persistent late budgets and large deficits. Political party leaders refuse to compromise to solve the state's budget problem and have used the two-thirds vote requirement to hold up the budget.

(e) California, Rhode Island, and Arkansas are the only states in the country that require a vote of two-thirds or more of the legislature to pass a budget.

(f) After researching California's two-thirds vote requirement, the nonpartisan California Citizens Budget Commission concluded that "the current supermajority requirement fails to achieve its oft-stated goal of

keeping budgetary spending in check, while at the same time it promotes gridlock, pork barrel legislation and lack of accountability."

(g) When the economy weakens, the state budget goes into deficit. These deficits are increased by the gridlock caused by the two-thirds vote requirement. These deficits increase year after year until they equal many billions of dollars. Faced with these huge deficits, the Governor and Legislature make massive cuts to education, health care, and transportation and raise billions of dollars in taxes. These deep cuts and large tax increases would not have been necessary if responsible budget solutions had been possible instead of year after year of gridlock.

(h) Party leaders threaten to punish state legislators if they refuse to vote the party line on the budget. Members of the Legislature should be accountable to their constituents, not to party leaders. Our elected representatives must be free to vote their consciences.

(i) California has faced large budget deficits and surpluses over the past 10 years. Elected officials from both major parties have increased spending and cut taxes in good economic times, leaving the State with inadequate reserves when the economy turns bad. Saving money in a rainy day fund in good times provides a prudent reserve during economic downturns and states of emergency, which is essential for responsible budget management.

SEC. 3. Purpose and Intent

(1) In order to make elected officials more responsible for the consequences of their actions, to keep voters more informed of the budget decisions being made by their legislators, to limit partisan extremism and end gridlock in the budget process, and to require a rainy day reserve fund to balance the budget in hard times and protect California taxpayers, the People of the State of California do hereby enact the Budget Accountability Act. This measure is intended to accomplish its purpose by amending the California Constitution and the statutes of California to:

(a) Prohibit the Legislature and Governor from collecting their salary and expenses for every day they miss the budget deadline set by the Constitution and to force the Legislature to stay in session and consider the budget until it is passed.

(b) Help voters hold their state representatives more accountable by providing voters with a two-page summary of how the State is spending the funds it receives. The summary will be published in the state ballot pamphlet mailed to voters before every statewide election. The summary will include a website address where voters can find the voting record of their representatives on all budget and related legislation, including tax bills, that are subject to the 55 percent vote requirement.

(c) Change the votes necessary to pass the budget and related tax and other legislation from two-thirds to 55 percent to improve accountability to voters, reduce budget gridlock, and encourage legislators to work

### Proposition 56 (cont.)

together to solve California's budget problems regardless of their party affiliation.

(d) Allow legislators to vote their consciences on the budget instead of being pressured into voting the party line. A legislator who is threatened by another legislator because of a vote on the budget will be able to file a complaint with the Ethics Committees of the Senate or Assembly, which will investigate the complaint and make public its report and recommendation for appropriate action to the full Senate or the Assembly.

(e) Ensure funds are set aside in a rainy day reserve fund in good economic times when revenues exceed what is needed for existing programs so that when revenues fall short in times of economic downturn the reserve fund can be used to reduce the need for drastic cuts in programs and increases in taxes. The reserve fund could also be used for a state of emergency declared by the Governor. The reserve fund may only be used for these purposes and may not be used to increase spending.

(2) The Budget Accountability Act will not change Proposition 13's property tax limitations in any way. The Budget Accountability Act changes the legislative vote requirement for taxes to 55 percent only for the purpose of increasing taxes as part of the process of adopting the budget.

SEC. 4. Section 12 of Article IV of the California Constitution is amended to read:

SEC. 12. (a) Within the first 10 days of each calendar year, the Governor shall submit to the Legislature, with an explanatory message, a budget for the ensuing fiscal year containing itemized statements for recommended state expenditures and estimated state revenues. If recommended expenditures exceed estimated revenues, the Governor shall recommend the sources from which the additional revenues should be provided.

(b) The Governor and the Governor-elect may require a state agency, officer or employee to furnish whatever information is deemed necessary to prepare the budget.

(c) The budget shall be accompanied by a budget bill itemizing recommended expenditures. The bill shall be introduced immediately in each house by the persons chairing the committees that consider appropriations. The Legislature shall pass the budget bill by midnight on June 15 of each year. Until the budget bill has been enacted, the Legislature shall not send to the Governor for consideration any bill appropriating funds for expenditure during the fiscal year for which the budget bill is to be enacted, except emergency bills recommended by the Governor or appropriations for the salaries and expenses of the Legislature.

(d) *If the budget bill has not been passed and sent to the Governor by June 15, the Legislature shall remain in session and may not consider or pass any other bills until the budget and bills related to the budget are adopted, except for emergency bills recommended by the Governor. Neither the Governor nor any member of the Legislature shall be entitled to any salary, per diem, or other expense allowance for any day after the June 15 deadline until a budget bill has been passed and sent to the Governor. No forfeited salary, per diem, or expense allowance shall be paid retroactively. In the event the Governor vetoes the budget bill, the prohibitions of this subdivision shall remain in effect until a budget is passed and signed by the Governor.*

(e) No bill except the budget bill may contain more than one item of appropriation, and that for one certain, expressed purpose. Appropriations from the General Fund of the State, except appropriations in the budget bill and in other bills related to the budget bill and appropriations for the public schools, are void unless passed in each house by rollcall vote entered in the journal, two thirds of the membership concurring.

(f)

(1) *Notwithstanding Section 3 of Article XIII A or any other provision of law or of this Constitution, the budget bill and tax and other bills related to the budget bill may be passed in each house by rollcall vote entered in the journal, 55 percent of the membership concurring, to take effect immediately upon being signed by the Governor or upon a date specified in the legislation. Nothing in this subdivision shall affect the vote requirement for appropriations for the public schools contained in subdivision (e) of this section and in subdivision (b) of Section 8 of this article.*

(2) *Tax and other bills related to the budget bill shall consist only of bills identified as related to the budget in the budget bill passed by the Legislature.*

(3) *Tax bills related to the budget bill shall include bills increasing taxes, whether by increased rates or changes in methods of computation, identified in the budget bill as related to the budget, except that no new ad valorem taxes on real property, or sales or transaction taxes on the sales of real property may be imposed.*

(g) *No officer, committee, or member of either house of the Legislature shall punish or threaten to punish any other member for his or her vote on the budget bill or tax and other bills related to the budget. Any member may file a complaint regarding violations of this section with the appropriate ethics committee of the house in which the alleged violation occurred. The ethics committee shall investigate the complaint and make recommendations to the full house regarding appropriate action, including censure, to be taken on the complaint. The ethics committee's findings shall be made public.*

(h) *For any fiscal year for which General Fund revenues exceed the amount needed to fund current General Fund service levels, the Legislature shall deposit at least 25 percent of the excess revenues into the Prudent State Reserve Fund established pursuant to Section 5.5 of Article XIII B, unless the Reserve Fund equals 5 percent or more of General Fund expenditures for the fiscal year immediately preceding that fiscal year. Appropriations from the fund may be made only in years in which revenues are not sufficient to fund current General Fund service levels or in response to a state of emergency declared by the Governor. Appropriations from the fund may be used only for these purposes and may not be used to increase expenditures. Notwithstanding Section 5 of Article XIII B, contributions to the fund shall not constitute appropriations subject to limitation until they are appropriated for expenditure from the fund.*

(i) The Legislature may control the submission, approval, and enforcement of budgets and the filing of claims for all state agencies.

SEC. 5. Section 9082.8 is added to the Elections Code, to read:

9082.8. *The Controller, in consultation with the Department of Finance and the Legislative Analyst's Office, shall prepare a budget summary explaining how state funds are spent, not to exceed two printed pages, which shall be published in the state ballot pamphlet sent to voters in every statewide election. The budget summary shall include directions to a state website, prepared and maintained by the Joint Rules Committee of the Legislature, that includes voting records of members of the Legislature on the budget and tax and other bills related to the budget.*

SEC. 6. Section 9518 is added to the Government Code, to read:

9518. *For the purposes of subdivision (h) of Section 12 of Article IV of the California Constitution, "current General Fund service levels" means levels of service as of June 30 of the prior fiscal year necessary to meet the constitutional, statutory, and contractual obligations of the state adjusted for population and cost of living as provided in Section 8 of Article XIII B of the California Constitution as of the effective date of this measure.*

SEC. 7. Severability

If any of the provisions of this measure or the applicability of any provision of this measure to any person or circumstances shall be found to be unconstitutional or otherwise invalid, such finding shall not affect the remaining provision or applications of this measure to other persons or circumstances, and to that extent the provisions of this measure are deemed to be severable.

SEC. 8. Amendment

By rollcall vote entered in the journal of each house, 55 percent of the membership concurring the Legislature may amend Section 9082.8 of the Elections Code and Section 9518 of the Government Code to further the purposes of this measure.

SEC. 9. Conflicting Initiatives

In the event that this measure and another measure or measures relating to the legislative votes required to pass the state budget, increase taxes, or enact or increase fees shall appear on the same statewide election ballot, the provisions of the other measure or measures shall be deemed to be in conflict with this measure. In the event that this measure receives a greater number of affirmative votes, the provisions of this measure shall prevail in their entirety, and the other measure shall be null and void.



# Easy Voter Guide

MAKING ELECTIONS MAKE SENSE

- Do you want a quick summary of the March 2, 2004, Primary Election?
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Go to [www.easyvoter.org](http://www.easyvoter.org) to view or download a copy in English, Spanish, Chinese, Vietnamese or Korean. You can also pick up copies of the *Easy Voter Guide* booklet at your local public library, from the Secretary of State's regional offices or from hundreds of community organizations and schools across the state (listed at [www.easyvoter.org](http://www.easyvoter.org) and at [www.MyVoteCounts.org](http://www.MyVoteCounts.org)).

The Secretary of State is a primary sponsor of the popular *Easy Voter Guide*. Other project partners include the California State Library, the League of Women Voters Education Fund, Common Knowledge, and Literacyworks.

# DATES TO REMEMBER

## February 2, 2004

First day to apply for an absentee ballot by mail

## February 17, 2004

Last day to register to vote

## February 24, 2004

Last day that county elections officials will accept any voter's application for an absentee ballot

February						
SU	M	TU	W	TH	F	SA
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29						

## Remember to Vote!

Polls are open from 7 a.m. to 8 p.m.

March						
SU	M	TU	W	TH	F	SA
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

## March 2, 2004

Last day to apply for an absentee ballot in person at the office of the county elections official

## March 2, 2004

# Election Day!

Secretary of State  
1500 11th Street  
Sacramento, CA 95814

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STATE



## Primary Election

English: 1-800-345-VOTE (8683)  
Español/Spanish: 1-800-232-VOTA (8682)  
日本語/Japanese: 1-800-339-2865  
Việt ngữ/Vietnamese: 1-800-339-8163  
Tagalog/Tagalog: 1-800-339-2957  
中文/Chinese: 1-800-339-2857  
한국어/Korean: 1-866-575-1558

[www.voterguide.ss.ca.gov](http://www.voterguide.ss.ca.gov)

## Official Voter Information Guide

In an effort to reduce election costs, the State Legislature has authorized the State and counties to mail only one guide to addresses where more than one voter with the same surname resides. You may obtain additional copies by writing to your county elections official or by calling 1-800-345-VOTE.

