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# **CALIFORNIA BUDGET REPORT**

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## **Bored (Already...) With the 2007-2008 Budget? How About Looking at 19 Pending Ballot Measures?**

Several readers have announced themselves bored with the state budget and urged us to talk about something more interesting. We refuse to concede that budgets are not interesting, but thought it might be a good time to remind readers that another election cycle is just around the corner. After all, what would we do with our time if there were not elections to compel further spending, earmark money for favored causes and make it even harder to raise taxes?

There are likely to be three (yes, three, count em!) statewide elections next year. And as of right now, there are 18 ballot measures either qualified, waiting count of signatures, in circulation or submitted to the Attorney General for Title and Summary, which allows them to seek signatures. More are starting to pop up every day. We cannot tell which ballot measures might also appear in February.....or June.....or November of 2008. Add to this list the Governor's big bond proposal and you get up to 19 already.

### **A Presidential Primary in February 2008**

The Legislature passed SB 113 (Calderon), which would move California's presidential primary to the first Tuesday in February, starting in 2008. SB 113 has been sent to the Governor, and he appears ready to sign the bill soon.

A February primary means that voters may get a chance to consider ballot measures at the same time. Cynics have suggested that the February primary is important only because the Governor and legislative politicians expect national politicians to come courting, rather than wasting their time in places like Iowa and New Hampshire. Those same cynics also think that California legislative leaders just want to extend term limits, and the earlier primary gives them an election just in time to get themselves re-elected. FYI, Senate Pro Tem Don Perata, Senate Republican leader Dick Ackerman and Speaker Fabian Nunez are all termed out in 2008.

Why would the Governor care about this? For starters, keeping alive the idea of an extension of term limits helps to civilize legislative Democrats. Equally important, the Governor thinks he can force legislative Democrats to accept an independent reapportionment commission to draw new

district lines. Those hopes may be compromised by the delicious fact that newly-elected U.S House of Representatives Speaker Nancy Pelosi (D-San Francisco) shows no enthusiasm for state legislative Democrats giving up control of reapportionment. Will Speaker Pelosi force the Governor and legislative Democrats to limit their reform to only state legislative races, but not those of Congress? Stay tuned, but don't hold your breath. This whole thing seems to us like a house of cards waiting to fall.

Political consultants are conflicted about the wisdom of placing ballot measures on a February election. Sure, the Presidential races in both major political parties will generate excitement, but who turns out to vote in big numbers? Until that question is answered, or until someone decides to take a risk and proceed with a possible February ballot measure, it is hard to figure out what else will appear on the ballot.

### **A Boring Old June 2008 Primary Election for Everything Else**

Regardless of what appears on the February 2008 ballot, the old, boring June primary election will bring a vote on congressional, and state legislative races, plus various ballot measures.

### **The Regular November 2008 General Election**

This leaves November for consideration. Sure, a hot presidential election will be the big issue. However, the Governor, legislators, endless interest groups and the army of professional campaign consultants are chomping at the bit to have more ballot measures. A host of bond issues may appear. The Governor is proposing \$43 billion in bonds on the 2008 and 2010 ballots, including money for school construction (heavy on higher education), prison and jail construction, and some money for water facilities.

### **Ballot Measures Pending**

Here is the fast summary of pending or proposed ballot measures. Political calculations and guesses about the enthusiasm of voters for more bond spending will lead the Governor and legislators to assign some of these ideas to the June primary ballot and some to November. It is reasonably clear that any changes in term limits have to appear on the February ballot.

### **The Governor's Proposed Bond Package**

- 1. \$43 Billion for the Governor's Proposed Ballot Measures.** If the Legislature approves another bond package at this spending level, a portion of the spending might appear on the November 2008 ballot. We think that higher education construction, one of the water facilities, and some funds for prisons and jails could make it to the ballot in 2008.

Inclusion of this proposal is why the number of total ballot proposals goes to 19, even though no measure containing the provisions has been introduced or submitted to the Attorney General.

## Measures already on the ballot

Two measures have already qualified for the 2008 ballot.

2. **1182. (SA2005RF0123), a proposal to limit the ability of the state to keep Transportation Investment Account money in the General Fund.** This measure will appear on the June primary ballot, unless there is a decision to change the date. The measure further increases the difficulty of balancing the state budget, and puts additional pressure on programs not otherwise legally protected (higher education, health care, social services, law enforcement and corrections, general government, including environmental programs, support to cities and counties.)
3. **SB 1856 (Chapter 697, 2002), is a bond to spend almost \$10 billion for high-speed rail.** This proposal is set for the November 2008 ballot. It has been authorized since 2002, but shoved back to future elections several times. The Governor and Legislature don't really care much about the subject, but want to find a way to make it disappear without being blamed for its demise. Expect another bill to move this back to the 2010 or 2012 ballot.

## Measures waiting signature verification

When proponents of a ballot measure think they have enough signatures, they return the initiative petitions for verification of signatures. Only one measure is pending verification.

4. **1226. (06-0030) allocates a bigger share of Proposition 98 money to community colleges,** gives constitutional recognition to the districts and the state Board of Governors, and will probably increase funding to community colleges by \$135 million in 2008, going up to \$470 million by 2010, and increasing thereafter. This is another chapter in the continuing fight between K-12 and community colleges.

## Measures in circulation

The following measures have received the Attorney General's approval for Title and Summary, and the sponsors are legally allowed to seek signatures. Check out any petition card tables at supermarkets and malls, if you want to know which measures have some clout behind them.

5. **1230. (06-0034)** would create a single-house Legislature with no more than 80 non-partisan members, and place limits on legislative salary and travel expenses, plus various voting requirements. Circulation deadline: March 19, 2007.
6. **1231. (06-0035)** would authorize a single-payer health care system in California. The Legislative Analyst estimates that full funding of the proposal, which would require additional statutory changes would cost approximately \$155 billion annually. Circulation deadline: April 16, 2007.

7. **1232. (06-0037, Amdt. #1NS)** allows county inmates to be placed in temporary jail facilities, and immunizes counties from legal liability. Limits death or disability benefits for inmates. Circulation deadline: May 25, 2007.
8. **1233. (06-0036, Amdt. #1S)** is the most amusing of all the new ideas, since it revives all legal claims against public entities, both state and local, filed any time after January 1, 1980 (yes, 27 years ago). Requires public agencies to pay owner's estimate of value of any property taken for public purposes. Circulation deadline: June 4, 2007.
9. **1235. (06-0040)** requires paper proof of voting whenever electronic voting machines are used. Counties with old machines not using a paper record would be required to replace the machines. Circulation deadline: July 5, 2007.
10. **1236. (06-0041)** proposes that law enforcement officers be required to have an audio-visual recording of all contacts or searches of citizens. Mandatory dismissal of any criminal charge if a copy of the recording is not provided to the defendant. Estimated costs in the range of hundreds of millions of dollars on a one-time basis; small amounts annually. Circulation deadline: July 13, 2007.

#### **Measures submitted to Attorney General for Title and Summary**

Additional measures have been submitted to the Attorney General for Title and Summary. At some point, a number will receive approval to seek signatures and they then move onto the list above. We have not bothered to give you a formal analysis of these measures, since some are modified versions of earlier proposals that failed to reach the ballot (e.g., limits on eminent domain actions by government, reapportionment, etc.) It is hard to tell which proposals have any political clout or money behind them. If you want to read a particular proposal, the Attorney General's web site gives you the information at <http://ag.ca.gov/initiatives/activeindex.php?active=A>. The numbers shown here are the year and numerical order of receipt of the proposal.

11. **07-0001** Submitted for Title and Summary on February 05, 2007.

**The McCauley-Rooker Wealth Tax and Oceans Preservation Act.** Under the Category of "Only in California", we recommend reading this one for general bemusement. The measure imposes a number of taxes (estate tax; 17.5% income tax surcharge on families making \$250,000 or more; an additional 17.5% income tax surcharge on income over \$2 million for joint filers and \$1 million for individual filers annually) and directs the money be spent to; a) purchase 50 percent or more of share interest in ExxonMobil, Chevron, General Motors and Ford; b) tear down the Hetch Hetchy Dam, which serves San Francisco and; c) use any surplus funds to help correct problems caused by global warming.

The measure also creates a number of tax credits (30 percent credit for teachers; 85 percent tax credit for higher education costs; tax credits for organ donors; 85 percent tax credit for healthcare costs, including Medicare and a tax credit for a portion of property taxes). As best we understand this measure, it appears to give taxpayers a tax credit for contributions to four organizations. Assuming all of them are nonprofit, we think a

donor would get a tax deduction for a charitable contribution, and get a tax credit for the same amount!

- ✓ The Center for the Improvement of Child Caring, Studio City (\$25 million)
- ✓ The Nature Network of Los Angeles (\$5 million)
- ✓ The Marine Mammal Center of Sausalito (\$5 million) and
- ✓ Restore Hetch Hetchy of Sonoma, CA (\$5 million)

12. [07-0002](#) Submitted for Title and Summary on February 21, 2007.  
**Fair Medical Treatment for Workers Act.** (Amdt. #1S). This measure gives automatic rights to use any licensed medical professional for treatment of workers' compensation injuries, and related provisions.
13. [07-0003](#) Submitted for Title and Summary on February 28, 2007.  
**California Property Owners Protection Act** (Amdt. #1S). Another effort by the Ghost of Howard Jarvis organization to limit the use of eminent domain by government agencies.
14. [07-0004](#) Submitted for Title and Summary on February 16, 2007.  
**Term Limits and Legislative Reform Act (Amdt. #1S).** This is the Democratic legislative leadership proposal to extend term limits (well, actually cut it down by two years, but allow all the time to be served in one house).
15. [07-0005](#) Submitted for Title and Summary on February 26, 2007.  
**Citizens Fair Districts Act.** Legislative reapportionment by a commission of randomly-selected folks. No one who served or ran for office, was a lobbyist, or an employee or consultant to a lobbyist, or was an elected or appointed officer of any political party, or current or former legislative or campaign employee can serve on the commission—unless 10 years have passed since that sinful status existed.
16. [07-0006](#) Submitted for Title and Summary on February 27, 2007.  
**Homeowners and Private Property Protection Act.** We think this is a version of limiting government's use of eminent domain, but one that may be acceptable to local governments.
17. [07-0007](#) Submitted for Title and Summary on February 27, 2007.  
**Citizens Fair Districts Act - Version 2.** The Ghost of Paul Gann has its own version of an acceptable legislative reapportionment.
18. [07-0008](#) Submitted for Title and Summary on March 01, 2007.  
**Citizens Fair Districts Act - Version 3.** Another version of the Ghost of Paul Gann reapportionment plan

19. [07-0009](#) Submitted for Title and Summary on March 12, 2007.

**Reimbursement for Legislators' Expenses.** This appears to ban legislative per diem.

See, we told you this was fun—or at least more fun than the budget!

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