



LEAGUE OF WOMEN VOTERS OF CALIFORNIA
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League Announces Opposition to May Ballot Measures

Sacramento, CA – The League of Women Voters of California today announced its opposition to Propositions 1A, 1C, 1D and 1E on the May 19 Special Election ballot and urged voters to reject them.

“We oppose these measures because they are NOT the solution to our long term financial crisis, with the continuing structural deficit in the state budget and flawed budget process,” said Janis R. Hirohama, president of the League. “We make this decision with regret. We would support real reform to make the state budget process more accountable and give the Legislature and Governor effective tools to advance state priorities. However, these hurriedly drafted propositions, produced at the end of a flawed process that kept both the public and most legislators in the dark, will only make our fiscal situation worse.”

Proposition 1A is touted by its proponents as the way to bring stability to the budget process. But what it will *really* do is tie the hands of the Legislature and Governor as they face changing needs for state and local government services. It will keep them from taking into account the state’s changing demographics and growth in the actual cost of important services like health care.

“Although some claim there is an urgency to pass Prop. 1A to resolve our state’s budget problems, we disagree,” said Hirohama. “Most of its provisions will not take effect for two years—two years that we should spend hammering out *real* solutions to our budget and fiscal challenges.”

The League believes elected officials should be allowed to carry out their responsibilities with flexibility. Years of “ballot-box budgeting” and formulas for auto-pilot spending have greatly eroded that flexibility. Prop. 1A, however, adds to the problem. For example, it dictates how half the funds that must be transferred to the “Budget Stabilization Fund” are to be used; it removes the Governor’s ability to suspend transfers to the fund in difficult years; and it imposes new formulas for calculating “unanticipated revenues” and specifies how they can be used in good years. And, after the deep cuts made during these strapped times, it could lock in a reduced level of services by failing to properly take account of increased caseloads and program costs.

If Prop. 1A passes, the Governor would be given new power to make mid-year cuts and suspend COLAs in state programs without legislative oversight. The League believes that mid-year budget adjustments should require joint action of the legislative and executive branches so that checks and balances are maintained.

Proposition 1C. This proposal attempts to raise money for the short term by selling bonds that would be paid off by future lottery revenue. In light of California’s poor credit rating and the state of the economy, those bonds would have to be sold at very unfavorable interest rates, if they can be sold at all. The Legislative Analyst says that in the long term, lottery profits probably

would not be enough to cover the higher payments to education required by Prop. 1C. We criticized this proposal as irresponsible last fall, and if anything, that criticism applies more than ever now.

Propositions 1D and 1E. On May 19, voters will also be asked to approve the temporary taking of funds from early childhood and mental health programs that were established by two previous initiatives. These are illusory, stopgap measures, and the League opposes these propositions as part of this objectionable package. It is ironic that these initiatives, which did what many consider “the right thing” by providing a source of funding, now face reductions.

The League is neutral on **Proposition 1B.** State responsibility for the funding of public education is essential, and we appreciate the need to pay back the devastating cuts that our schools and community colleges have sustained. On the other hand, the Legislature will have the ability to restore school funding without Prop. 1B, and it is not needed in this package of propositions.

Since the League has no position on setting salaries for public officials, we take no position on **Proposition 1F,** which would prevent pay raises for legislators and statewide constitutional officers during budget deficit years.

The League of Women Voters recognizes that California is facing the worst budget crisis in its history, with the worldwide recession severely affecting state revenues and the need for state services. Moreover, our budget system is broken and in desperate need of reform. This year illustrates the need to abandon the two-thirds vote requirement for passing budgets and raising revenues, and we must also look at other budget reforms. In the meantime, a new tax commission is considering ways to broaden or stabilize our revenues. “There is much that needs to be done,” Hirohama stated, “but we are certain that the propositions on the May 19 ballot are not the answer.”

The League of Women Voters of California, a nonpartisan political organization, encourages informed and active participation in government, works to increase understanding of major public policy issues, and influences public policy through education and advocacy. Membership in the League is open to men and women of all ages. With more than 89 years of experience and 850 local and state affiliates, the League of Women Voters is one of America’s most trusted grassroots organizations.

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