



**LEAGUE OF WOMEN VOTERS OF CALIFORNIA**  
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## **League of Women Voters Says Voters Rejected Bad Policy; Now Is Time for Reform**

**Sacramento, CA** — Yesterday, millions of Californians voted for change. They weren't fooled by the flawed and misleading measures on the special election ballot. They know that California needs true reform of its budget and finance process. They want a process that assures financial stability and adequate funding for crucial government services such as education, transportation, health care, and protection of our environment.

Janis R. Hirohama, president of the League of Women Voters of California, said, "The League opposed Propositions 1A, 1C, 1D, and 1E because they were bad public policy. California voters agreed that they did NOT provide a solution to our long-term financial crisis. These ballot measures ignored California's structural budget deficit and were the wrong approach to our flawed budget process."

The League pointed out to voters that Prop. 1A would have made it harder to enact budgets to meet future needs. It would have written permanent, complex restrictions into the state Constitution that would hamper our ability to recover from these bad times and invest in services such as schools, universities, health care, and programs for seniors and the disabled during good times. It would have exacerbated years of ballot-box budgeting by reducing still more the flexibility our elected representatives need. And it would have given this and all future governors enhanced power to make budget cuts without checks and balances.

The League also opposed Propositions 1C, 1D, and 1E because they were stopgap measures that the state should not resort to, even in times of such urgent need.

"Now that the voters have spoken," added Hirohama, "it is time to turn our attention to real reform."

"As a result of past actions by the voters and the Legislature, governors and legislators are left with little discretion to meet their constituents' demands for public services. Is it any wonder that any economic downturn quickly turns into a crisis?" asked Hirohama.

Beginning with Proposition 13 in 1978, California voters have passed a number of initiatives that have locked in fundamental changes in the state's budget process and finance system. Many measures have dictated spending on particular programs, some with new revenues to support them, others without any funding source.

Among the other issues the League believes must be addressed are:

- The two-thirds vote required to pass the budget and any revenues needed to support it. The two-thirds rule gives a small minority the power to overrule legislators elected by a large

majority of California voters and leads to the kind of backroom deals that accompanied the coming year's inadequate budget.

- Numerous tax credits and other special-interest tax breaks that take billions of dollars each year from the budget. Billions more in tax breaks were added this year, and still others are being proposed. Tax breaks can be approved by a simple majority vote in the Legislature, but require a two-thirds vote to be eliminated or reduced, and they are seldom examined to see if they actually produce any public benefit.
- Whether non-residential commercial real estate should continue to enjoy the protection of Proposition 13. This keeps many business properties from being reassessed, even though the corporations or partnerships owning them have had substantial changes in ownership, and limits the revenues available for government services.
- An outmoded tax structure based on California's economy in the mid-20th century. The League is pleased that a commission appointed by the Governor and the Legislature is looking at ways to stabilize state revenues and promote fair, equitable, and efficient tax policy. This should improve our ability to address the needs of Californians and successfully compete with other states and nations for jobs and investments.

The time has come to meet these issues head-on and bring them before the public for an open and honest discussion of how to fix the system. "League of Women Voters members across the state call for the courage and foresight needed at this crucial moment in California's history. With real leadership from the Governor and the Legislature, we can meet California's pressing needs and open the door to a better future," concluded Hirohama.

*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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