

Proposition 1A is a flawed measure filled with fine print and loopholes.

For years, the Governor has promised one solution after another to clean up the fiscal mess in Sacramento. Now he wants to sell us yet another "solution" that will fall short of his promises.

Read the text of 1A for yourself. You will see a proposed Constitutional Amendment filled with complex formulas and convoluted language that was hastily drafted behind closed doors, without public hearings or independent analysis of how it will actually work.

Instead of making our budget process more transparent and accountable, 1A does the opposite. Its complex formulas and fine print will invite unintended consequences and behind the scenes manipulation. As a result, the effects of 1A will be far different than its supporters promise:

- The expanded "Rainy Day Fund" will become a *slush fund*. The fine print allows *unlimited* "Rainy Day" funds to be spent on *borrowing and Pork Barrel spending*. More borrowing means more funds will have to be diverted into the slush fund to reach the 12.5 percent goal – that's more than \$13,000,000,000.
- 1A could even require money to be diverted from the budget and deposited into the "Rainy Day" slush fund *in bad years* when we are in the depths of a recession and State revenues are falling.

- 1A is so poorly written that *it could force service cuts even in good times*. Its “one size fits all” approach ignores basic realities such as our aging population with more and more baby boomers retiring, rising health care costs, and dealing with the effects of global warming.
- 1A will *encourage unlimited tax increases – not stop them*. 1A’s fine print limits what the Governor and Legislature can spend from existing tax revenues, but places *no limit on spending when they raise taxes*. And diverting more and more funds from existing taxes into the slush fund will cause *increased pressures to raises taxes*.

Prop. 1A also gives the Governor extraordinary unilateral power over the budget. The Director of Finance – a political appointee of the Governor – makes all the critical decisions determining when revenues are “excessive” and can be diverted into the “Rainy Day” slush fund, *with no checks and balances* from the Legislature.

And if 1A is adopted by voters, another law that was part of the budget deal gives the Governor more power to make unilateral cuts to the budget after it is signed into law, again with no oversight by the Legislature.

We all want our state’s fiscal and economic nightmare to end, never to be repeated again. But political promises and real solutions are not always the same thing.

Proposition 1A is not the solution it is promised to be. It will only add to our fiscal woes.

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**SUBJECT TO COURT
ORDERED CHANGES**

Tell the Governor and Legislature to go back to the drawing board and draft a new proposal in the light of day, with ample opportunity for public input and independent analysis.

VOTE NO ON PROPOSITION 1A

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