

Great, So who supports this?

Tom Willis

Yes on Proposition 2

California Budget Project: Nonpartisan and nonprofit organization. CBP's goal is to improve public policies that affect low and middle-income Californians.

California Democratic Party

Los Angeles County Democratic Party

League of Women Voters of California:

LWV is a not profit organisation that encourages woman to be involved in their government.

California Forward Action Fund:

On their website they say,"The California Forward Action Fund strives to improve the quality of life for all Californians by creating a more responsive, transparent, accountable and cost-effective government at the state and local levels."

California Chamber of Commerce:

On their website they say their mission is,"To serve as an advocate and resource for California employers and to engage in other activities, domestically and internationally,that enhance the California economy and make the state a better place to live, work and do business."

Educate Our State:

Parent-led organization that was founded by seven moms who have or had children enrolled in California's K-12 public education system.

Potrero Hill Democratic Club

Evolve:

On their site they say,"Evolve was founded on the belief that there's a better way. Most of the significant problems we face have effective solutions that are not being implemented because of political infighting or the power of special interests."

Courage Campaign:

On their website they say,"Courage Campaign Institute is the educational arm of the Courage Campaign family of organizations. Our mission is to defend and extend human rights through innovative leadership-development training, strategic research and public-education."

California Partnership:

On their website they say,"Poverty reduction through budget education and advocacy, coupled with leadership development, is the core of the work of the California Partnership."

What are the possible social impacts of this proposition?

Will make taxpayers happy that they don't have to pay extra taxes in recession.

What are the possible legal impacts of this proposition?

It holds government officials responsible for saving part of the general fund and makes sure they are being fiscally responsible with the money they do spend.

(Requires the government to be smarter with money)

So What if I Vote Yes?

A yes vote would mean that the state would have to put minimum amounts into (BSA) savings. As well as the debt for each year for 15 years, 0.75% of the general fund would grow larger in years where the revenues are higher.

A yes vote would also mean that the Governor would gain the ability to declare a "budget emergency" in the event of a natural disaster or if the general fund is not kept on a spending schedule for three years. Limits would also be imposed on the amount of money the state can take out of the BSA to half, if a budget emergency is declared two years in a row then all of the BSA money can be used.

A yes vote would as well increase the size of the states budget safety net, the "BSA" to 10% of the general fund.

And finally a yes on this proposition would create a state reserve for schools, where money would only be saved in years where capital gains tax exceeds average and covers the cost of living and increase of students.

And If I Vote No?

A no means that the rules on payment of state debt, budget reserves, and school district reserves would remain.

Currently:

The governor can waive reserve funding annually without the need to declare a state of fiscal emergency.

0.75% of revenue funds are required to be put into rainy day fund

There is no cap on district budget reserves.

State can withdraw from BSA

Maximum size of BSA: \$8 billion or 5% of Gen. Fund

No state reserves for schools or community colleges

There would be no cap on school district reserves

So why vote?

Voting is something taken for granted in the United States. It is a right people in other countries fought and died for. Yet here we are, sitting here twiddling our thumbs and not exercising our right to vote. The right to vote is granted here, but it is something we should cherish, as it might not be here forever seeing as fewer and fewer people vote.

Remember that you have the power to make change in the world, and it might not be around forever, so do it while you can.

Prop two is an addition to 2004's Proposition 58.

Prop 58 instated that a balanced budget was made for California each year and creates the Budget Stabilization Account which was money saved incase of future final trouble. The Budget Stabilization Account was only allowed to be 5% of the general fund.

Proposition two creates a california rainy day fund that money can be put into in years when the economy is doing good and can be used in bad economic years. Half of the fund must be spent on paying back debts the state owes and the rest for emergencies, and for unexpected expenses. This prop enlarges the size of California's emergency fund so it can be 10% of the general fund.

Pros:

Limits state officials spending

Plans for paying back debts

lessens the risk of tax increases and budget cuts

Republicans and Democrats support this Prop

In years when revenue is specifically high excess fund will be put into an emergency fund for schools

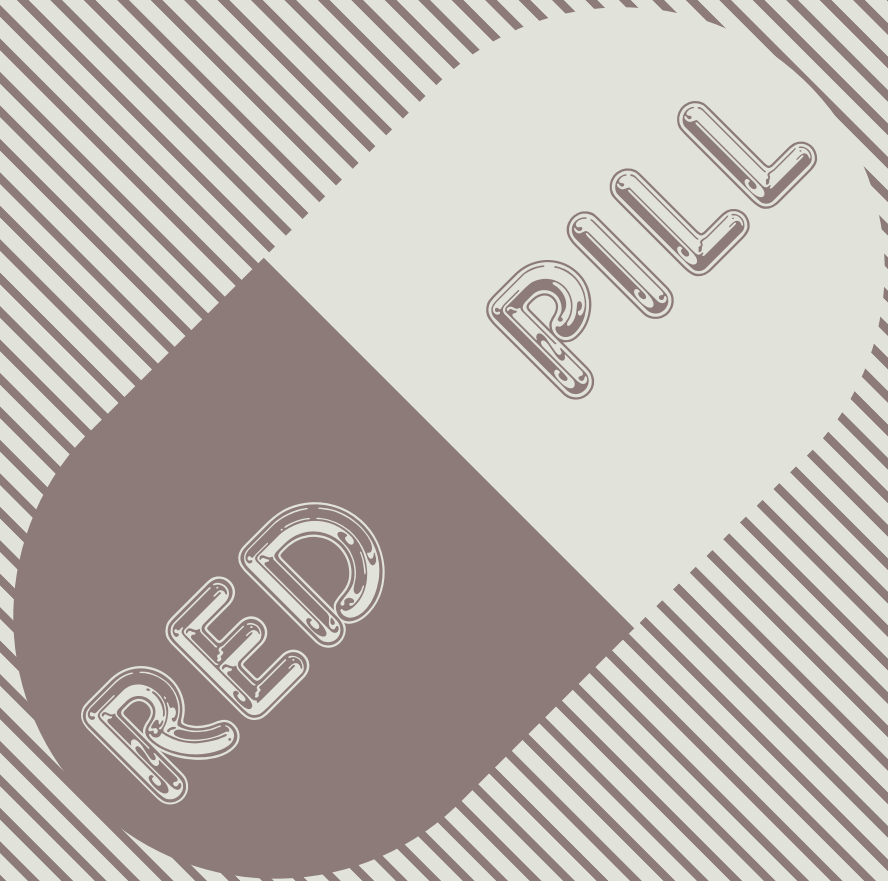
Cons:

This prop limits the ability of schools to save money how they chose. The emergency fund for each school district can not be bigger than 10% of its yearly budget.

What are the possible fiscal impacts of this proposition?

This Prop creates a positive fiscal impact because it creates a fund dedicated to saving money for the future. Saving money for future needs is important because it reduces debt in low income years and allows the state to save up to pay back debts the state owes. In addition in case of state emergency such as the drought or the California fires the rainy day fund can help pay expenses for unexpected events instead of forcing taxpayers to pay higher taxes and cutting budgets for important programs.

The courage campaign issues committee says," Installs a new requirement that would siphon off revenue every year for a rainy day fund. Requiring the Legislature to set aside funds desperately needed to repair damages acquired during the Great Recession. It's bad policy to pour money into a rainy day fund when it's still raining."



# PROPOSITION 2