



NEWS RELEASE

CALIFORNIA SECRETARY OF STATE **KEVIN SHELLEY**

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Four Proposed Initiatives Enter Circulation

1. *Prohibition on Defined Benefit Public Pensions. Alternative Plans. Initiative Constitutional Amendment and Statute.*
2. *Mental Health Services Act. Repeal. Initiative Statute.*
3. *Public Employee Union Dues. Required Employee Consent for Political Contributions. Initiative Statute.*
4. *District Reapportionment. Initiative Constitutional Amendment.*

SACRAMENTO, CA --- Secretary of State Kevin Shelley announced today that the proponents of four initiatives may begin collecting petition signatures for their measures.

The Attorney General's official title and summary of each follows:

PROHIBITION ON DEFINED BENEFIT PUBLIC PENSIONS. ALTERNATIVE PLANS. INITIATIVE CONSTITUTIONAL AMENDMENT AND STATUTE.

- Prohibits state and local public agencies, including school districts, state universities, from providing defined benefit pensions (benefit determined by age, years of service, salary) to employees hired after July 1, 2007.
- Eliminates death, disability benefits for such employees.
- Thereafter, permits only defined contribution plans (benefit determined by contributions, interest, investment earnings, minus fees and expenses).
- Limits agency's contributions to 6% of employee's salary (95 for sworn police officers, full-time firefighters, and those not contributing to Social Security).
- Requires employee contribution when employer contribution exceeds 3% of salary.

The Legislative Analyst's and Department of Finance's summary of the estimated fiscal impact on state and local governments indicates that this measure would, over the long term, have a major reduction in state and local government retirement costs for other types of employee compensation. In the shorter term, there would be an unknown net impact on public employer costs related to the closing out of existing defined benefit plans. The fiscal effect would depend on the decisions of both retirement boards and existing government employees.

The proponent, Jon Coupal, must collect 598,105 signatures of registered voters, equal in number to eight percent of the total votes cast for governor in the 2002 gubernatorial election, in order to qualify the proposed constitutional amendment. The 150-day deadline to circulate petitions for this measure is July 28, 2005. The initiative proponent can be reached at 916-444-9950.

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MENTAL HEALTH SERVICES ACT. REPEAL. INITIATIVE STATUTE.

- Repeals various laws approved by the voters as Proposition 63 in November 2004 election, including laws that:
 - Provide funds to counties to expand programs and services for mentally ill individuals
 - Require the state to develop programs for mental health prevention, intervention, education and training
 - Prohibit the state from decreasing mental health funding below current levels.
- Repeals the 1% tax on individual taxpayers' taxable personal income above \$1 million that currently funds these mental health services.
- Requires that previously collected taxes be refunded to taxpayers.

The Legislative Analyst and Finance Department's summary of the estimated fiscal impact on state and local governments indicates that this measure would have state revenue decreases of approximately \$275 million in 2004-05, \$750 million in 2005-06, \$800 million in 2006-07, and increasing amounts annually thereafter, with commensurate ongoing reductions in expenditures by the state and counties for mental health programs. These reductions in expenditures could be partly offset by increased costs for other state and local programs. Unknown onetime refund to taxpayers, potentially as much as hundreds of millions of dollars, of tax revenues collected and expended under the Mental Health Services Act prior to its repeal.

The proponent, Lewis K. Uhler, must collect 373,816 signatures of registered voters, equal in number to five percent of the total votes cast for governor in the 2002 gubernatorial election, in order to qualify his proposed statutory change. The 150-day deadline to circulate petitions for this measure is July 28, 2005. The initiative proponent can be reached at 916-786-9400.

PUBLIC EMPLOYEE UNION DUES. REQUIRED EMPLOYEE CONSENT FOR POLITICAL CONTRIBUTIONS. INITIATIVE STATUTE.

- Prohibits public employee labor organizations from using dues or fees for political contributions unless the employee provides prior consent each year on a specified written form.
- Prohibition does not apply to dues or fees collected for charitable organizations, health care insurance, or other purposes directly benefiting the public employee.
- Requires labor organizations to maintain and submit to the Fair Political Practices Commission records concerning individual employees' and organizations' political contributions; those records are not subject to public disclosure.

The Legislative Analyst's and Department of Finance's summary of the estimated fiscal impact on state and local governments indicates that this measure would probably have minor state and local government implementation costs, potentially offset in part by revenues from fines and/or fees.

The proponent, Lewis K. Uhler, must collect 373,816 signatures of registered voters, equal in number to five percent of the total votes cast for governor in the 2002 gubernatorial election, in order to qualify his proposed statutory measure. The 150-day deadline to circulate petitions for this measure is July 28, 2005. The initiative proponent can be reached at 916-786-9400.

DISTRICT REAPPORTIONMENT. INITIATIVE CONSTITUTIONAL AMENDMENT.

- Amends State Constitution's process for redistricting California's Senate, Assembly, Congressional and Board of Equalization districts.
- Requires three-member panel of retired judges, selected by legislative leaders, to adopt a new redistricting plan after each national census.
- Panel must consider legislative, public proposals/comments and hold public hearings.
- Redistricting plan becomes effective immediately when adopted by judges' panel and filed with the Secretary of State.
- If voters subsequently reject redistricting plan, process repeats.
- Specifies time for judicial review of adopted redistricting plan.
- If plan fails to conform to requirements, court may order new plan.

The Legislative Analyst's and Department of Finance's summary of the estimated fiscal impact on state and local governments indicates that this measure would have state redistricting savings, probably totaling a few million dollars, for each future redistricting effort (once every ten years). These savings would be realized within the Legislature's existing spending limit.

The proponent, Allen S. Zaremberg, must collect 598,105 signatures of registered voters, equal in number to eight percent of the total votes cast for governor in the 2002 gubernatorial election, in order to qualify his proposed constitutional amendment. The 150-day deadline to circulate petitions for this measure is July 28, 2005. The initiative proponent can be reached at 916-444-6670.