



# NEWS RELEASE

## CALIFORNIA SECRETARY OF STATE

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Contact: Caren Daniels-Meade  
916-653-6575

### **Three Proposed Initiatives Enter Circulation**

1. *Prescription Drugs. Discounts. Initiative Statute.*
2. *Casino-Style Gaming District. Initiative Constitutional Amendment.*
3. *School Funding. State Spending. Initiative Constitutional Amendment*

SACRAMENTO, CA --- Secretary of State Bruce McPherson announced today that the proponents of three new initiatives may begin collecting petition signatures for their measures.

The Attorney General's official titles and summaries are as follows:

#### **PRESCRIPTION DRUGS. DISCOUNTS. INITIATIVE STATUTE.**

Establishes discount prescription drug program, overseen by the Department of Health Services. Enables certain low- and moderate-income California residents to purchase prescription drugs at reduced prices. Imposes \$15 application fee, renewable annually. Requires Department's prompt determination of residents' eligibility, based on listed qualifications. Authorizes Department to contract with pharmacies to sell prescription drugs at agreed-upon discounts negotiated in advance, and to negotiate rebate agreements with drug manufacturers. Permits outreach programs to increase public awareness. Creates state fund for deposit of rebate payments from drug manufacturers. Allows program to be terminated under specified conditions.

Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: One-time and ongoing state costs, potentially in the millions to low tens of millions of dollars annually, for administration and outreach activities to implement the new drug discount program. A significant share of these costs would probably be borne by the state General Fund. A largely one-time state cost, potentially in the low tens of millions of dollars, to cover the funding gap between the time when drug rebates are collected by the state and when the state pays funds to pharmacies for drug discounts provided to consumers. Any such costs not covered through advance rebate payments from drug manufacturers would be borne by the state General Fund. Unknown savings on state and county health program costs due to the availability of drug discounts.

The Secretary of State's tracking number for this measure is 1129 and the Attorney General's tracking number is SA2005RF0065.

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The proponent, Ashlee N. Brown, must collect 373,816 signatures of registered voters, equal to five percent of the total votes cast for governor in the 2002 gubernatorial election, in order to qualify the measure. The 150-day deadline to circulate petitions for this measure is August 29, 2005. The initiative proponent can be reached at 916-442-7757.

**CASINO-STYLE GAMING DISTRICT. INITIATIVE CONSTITUTIONAL AMENDMENT.**

Requires State to purchase, through eminent domain, 25-50 square miles of undeveloped land in San Bernardino County for casino-style gaming District, which would not be part of county; instead, District controlled by District citizens. Requires District land be sold to highest bidders. Prohibits state/local taxes or recurring fees on gaming operations within District. Provides that investment fees and casino profits pay for public programs. Establishes tracking system to prevent individual Californians from spending more than 10% of annual income on gaming. Voids provisions in existing tribal-State compacts requiring payments to State.

Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Potential major costs and revenues from the operation of a special gaming district-unknown net impact.

The Secretary of State's tracking number for this measure is 1130 and the Attorney General's tracking number is SA2005RF0048.

The proponent, David K. Johnson of Prosperity for All, must collect 598,105 signatures of registered voters, equal to eight percent of the total votes cast for governor in the 2002 gubernatorial election, in order to qualify the measure. The 150-day deadline to circulate petitions for this measure is August 29, 2005. The initiative proponent can be reached at P.O. Box 3126, Beverly Hills, CA 90212. No phone number was provided.

**SCHOOL FUNDING. STATE SPENDING. INITIATIVE CONSTITUTIONAL AMENDMENT.**

Changes state minimum school funding requirements (Proposition 98), permitting suspension of minimum funding, but terminating repayment requirement, and eliminating authority to reduce funding when state revenues decrease. Excludes above-minimum appropriations from schools' funding base. Limits state spending to prior year total plus revenue growth. Shifts excess revenues from schools/tax relief to budget reserve, specified construction, debt repayment. Requires Governor to reduce state appropriations, under specified circumstances, including employee compensation, state contracts. Continues prior year appropriations if new state budget delayed. Prohibits state special funds borrowing. Requires payment of local government mandates.

Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Spending limit could constrain state expenditures over time. Other provisions would have major impacts on state budget decision making, which could lead to varying outcomes regarding the level of state spending and on the composition of that spending among education, transportation, and other state programs. Provisions allowing Governor to reduce appropriations could result in lower state spending in certain years when the state was facing unresolved budget shortfalls.

The Secretary of State's tracking number for this measure is 1131 and the Attorney General's tracking number is SA2005RF0067.

The proponents, William Hauck and Allan Zaremborg, must collect 598,105 signatures of registered voters, equal to eight percent of the total votes cast for governor in the 2002 gubernatorial election, in order to qualify the measure. The 150-day deadline to circulate petitions for this measure is August 29, 2005. The initiative proponents can be reached at 916-444-6670.

For a copy of the complete text, title & summary, and circulation calendar of each measure, please contact the Secretary of State's Press Office at 916-653-6575.