

## The California State University Employee Update

### Friday, March 27, 2009

#### **CSU Trustees Support Propositions on May 19 Ballot**

The CSU Board of Trustees voted Wednesday to endorse five of the propositions that will come before voters in a May 19 special election. Recognizing the state's unprecedented fiscal crisis, the Trustees agreed to support Propositions 1A through 1E saying the measures will help solve the state's critical budget problems. Most of the measures provide new revenues to help balance the state's General Fund budget over the next several years. This directly impacts the CSU as two-thirds of its budget comes from the state General Fund.

The special election is part of the 2009-10 budget package that legislators passed last month. The ballot will include the following propositions:

- Proposition 1A increases the amount of money set aside in the state's rainy day fund and restricts the withdrawal of the funds. In addition, the measure extends for an additional year a one cent on the dollar increase in the sales tax, and also extends for two additional years increases in the personal income tax and the Vehicle License Fee. This will provide \$22 billion to the state budget over the next three years.
- Proposition 1B requires the state – assuming 1A passes – to make a total of \$9.3 billion in supplemental payments to K-14 education, with annual installments starting in 2011-12.
- Proposition 1C allows the state to borrow from future lottery profits. The budget agreement relies on \$5 billion in 2009-10 from this pocket.
- Proposition 1D would temporarily redirect a portion of funds raised by Proposition 10 for various children's programs to similar programs that are in the state budget to help the state balance the budget.
- Proposition 1E would allow for the temporary redirection of some Proposition 63 funds that currently support mental health services to fund other mental health programs that are in the state budget.

More information is available on the state's elections website: <http://www.voterguide.sos.ca.gov/>.