

January 12, 2026

RECEIVED

VIA PERSONAL DELIVERY

Jan 12 2026

Hon. Rob Bonta
Attorney General of California
1300 I Street, 17th Floor
Sacramento, CA 95814

INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

Attention: Ms. Anabel Renteria, Initiative Coordinator

Re: Request for Title and Summary for Proposed Initiative Constitutional
Amendment (A.G. No. 25-0038) – *Amended Language*

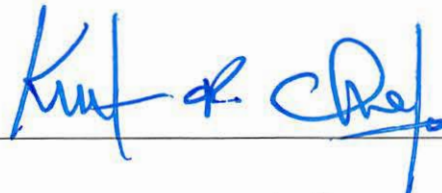
Dear Mr. Bonta:

Pursuant to Section 9002(b) of the California Elections Code, please find attached hereto amendments to the above-captioned initiative measure. I hereby request that a title and summary be prepared for the initiative measure using the attached amended language. The required proponent affidavit(s) pursuant to Sections 9001 and 9608 of the California Elections Code, and a check for \$2,000.00, were included with the original submission.

All inquires or correspondence relative to this initiative should be directed to Kurt R. Oneto at koneto@nmgovlaw.com or 916-446-6752.

Thank you for your assistance.

Sincerely,



Kurt R. Oneto, Proponent

Enclosure: Proposed Initiative Constitutional Amendment – *Amended Language*

Section 1. Title.

This Act shall be known and may be cited as the Protect Schools and Taxpayers Act of 2026.

Section 2. Findings and Declarations.

The People of the State of California hereby find and declare the following:

(a) Virtually all Californians contribute tax dollars to the state budget. Because Californians fund the state budget as taxpayers, voters have adopted specific rules to ensure the state budget reflects their highest priorities.

(b) Chief among these voter-approved state budget spending rules Californians have adopted are Proposition 98 which protects school funding, and Proposition 4 which limits government spending. Together, these voter-approved measures help ensure that the state budget prioritizes protecting students and taxpayers.

(c) Enacted by California voters in 1988, Proposition 98 established a constitutional minimum funding guarantee for public schools and community colleges. Proposition 98 guarantees that approximately 43% of General Fund tax proceeds, and about 54% of new tax revenues, are allocated to K-14 schools.

(d) The Proposition 98 Education Funding Guarantee has been transformational for California's schoolchildren: it ensures a baseline level of funding for K-14 public education, preventing drastic cuts during lean budget years; it funds essential functions like teacher salaries, operational costs, and specific programs for students with the greatest needs, like literacy and math intervention; and it directs significant funds to critical areas such as universal transitional kindergarten, teacher recruitment, training and retention, literacy and math specialists, and expanded learning opportunities for disadvantaged students.

(e) Enacted by California voters in 1979, Proposition 4 created a government spending limitation which capped how much state and local governments can spend from tax revenues. As it exists today, this government spending limitation ensures that when the state collects excess tax revenues, those excess revenues can only be used to provide additional support to K-14 schools and pay refunds to California taxpayers.

(f) The Proposition 4 Government Spending Limitation has resulted in billions of dollars in additional school funding and taxpayer refunds. For example, in 2022 and 2023, the

Proposition 4 Government Spending Limitation resulted in the return of \$9.2 billion dollars to approximately 16.8 million California taxpayers in the form of refunds.

(g) Despite the significant benefits that the Proposition 98 Education Funding Guarantee and the Proposition 4 Government Spending Limitation have produced for schools and taxpayers, on multiple occasions self-interested special interest groups have pursued carve-outs and exemptions from these voter-approved state spending rules in order to fund their pet projects *without* giving schools and taxpayers their fair share. This has resulted in billions of dollars being diverted away from public schools and taxpayers' wallets.

(h) Further carve-outs and exemptions from these voter-approved rules must stop. Going forward, ALL new state taxes MUST comply with the Proposition 98 Education Funding Guarantee and the Proposition 4 Government Spending Limitation. Further special interest schemes that cheat schools and taxpayers should be invalidated.

Section 3. Statement of Purpose.

In enacting this Act, the purpose and intent of the People of the State of California is to prohibit new tax measures from circumventing the Proposition 98 Education Funding Guarantee and the Proposition 4 Government Spending Limitation so that no new state taxes can be imposed, collected, or enforced unless they comply with these voter-enacted state spending rules that protect taxpayers and schools.

Section 4. Article XVII is added to the California Constitution, to read:

ARTICLE XVII

PROTECTION OF VOTER-APPROVED STATE SPENDING RULES

SECTION 1. Protection of Voter-Approved Education Funding Rules.

(a) No state tax that is enacted or takes effect on or after January 1, 2026 shall be exempted or excluded from the Voter-Approved Proposition 98 Education Funding Guarantee.

(b) The State of California shall not impose, collect, or enforce any state tax that is enacted or takes effect on or after January 1, 2026 if the state tax is exempted or excluded from the Voter-Approved Proposition 98 Education Funding Guarantee.

(c) For purposes of this section:

(1) "Voter-Approved Proposition 98 Education Funding Guarantee" means Section 8 and Section 8.5 of Article XVI.

(2) "Exempted or excluded from the Proposition 98 Education Funding Guarantee" means any of the following:

(A) The revenues from the state tax are prohibited from being considered General Fund revenues, state revenues, moneys, or proceeds of taxes under Section 8 of Article XIII B for the purposes of any section of Article XIII B.

(B) The revenues from the state tax are prohibited from being considered to be part of the General Fund.

(C) The revenues from the state tax are prohibited from being considered General Fund revenues, state revenues, moneys, or proceeds of taxes for the purposes of Section 8 or Section 8.5 of Article XVI.

SEC. 2. Protection of Voter-Approved Government Spending Limitation Rules.

(a) No state tax that is enacted or takes effect on or after January 1, 2026 shall be exempted or excluded from the Voter-Approved Proposition 4 Government Spending Limitation.

(b) The State of California shall not impose, collect, or enforce any state tax that is enacted or takes effect on or after January 1, 2026 if the state tax is exempted or excluded from the Voter-Approved Proposition 4 Government Spending Limitation.

(c) For purposes of this section:

(1) "Voter-Approved Proposition 4 Government Spending Limitation" means Article XIII B.

(2) "Exempted or excluded from the Voter-Approved Proposition 4 Government Spending Limitation" means either of the following:

(A) The revenues from the state tax are deposited, in whole or in part, into a particular fund or account outside of the General Fund, and appropriations from that particular fund or account are not included in the appropriations subject to limitation of each entity of government and the State of California under Article XIII B.

(B) The appropriations limit for the State of California is increased by statute pursuant to Section 4 of Article XIII B.

SEC. 3. Application of Article.

This article applies to all statewide initiative measures submitted to the electors on or after January 1, 2026, including measures that appear on the ballot at the same election at which the measure adding this article is approved by the electors.

Section 5. Conflicting Measures.

(a)(1) In the event that this initiative measure appears on the same statewide election ballot as another initiative measure containing a state tax that is exempted or excluded from the Voter-Approved Proposition 98 Education Funding Guarantee, or exempted or excluded from the Voter-Approved Proposition 4 Government Spending Limitation, that other initiative measure shall be deemed to be in conflict with this measure. In the event that this initiative measure receives a greater number of affirmative votes, the provisions of this measure shall prevail in their entirety, and all the provisions of the other measure shall be null and void.

(2) For purposes of this section, “exempted or excluded from the Voter-Approved Proposition 98 Education Funding Guarantee” and “exempted or excluded from the Voter-Approved Proposition 4 Government Spending Limitation” shall have the same meaning as set forth in Section 4 of this Act.

(b) If this initiative measure is approved by the voters but superseded in whole or in part by any other conflicting initiative measure approved by the voters at the same election, and such conflicting measure is later held invalid, this measure shall be self-executing and given full force and effect.

Section 6. Severability.

The provisions of this Act are severable. If any portion, section, subdivision, paragraph, clause, subclause, sentence, phrase, word, or application of this Act is for any reason held to be invalid by a decision of any court of competent jurisdiction, that decision shall not affect the validity of the remaining portions of this Act. The People of the State of California hereby declare that they would have adopted this Act and each and every portion, section, subdivision, paragraph, clause, subclause, sentence, phrase, word, and application not declared invalid or

unconstitutional without regard to whether any part of this Act or application thereof would be subsequently declared invalid.

Section 7. Effective Date.

This Act shall take effect at the earliest possible date in accordance with Section 10 of Article II of the California Constitution. This Act shall become operative on the same day it takes effect.

Section 8. Liberal Construction.

This Act shall be liberally construed to give effect to its intent and purposes.

Section 9. Legal Defense.

The purpose of this section is to ensure that the people's precious right of initiative cannot be improperly annulled by state politicians who refuse to defend the will of the voters. Therefore, if this Act is approved by the voters of the State of California and thereafter subjected to a legal challenge which attempts to limit the scope or application of this Act in any way, or alleges this Act violates any state or federal law in whole or in part, and both the Governor and Attorney General refuse to defend this Act to the fullest extent possible on behalf of the State of California, then the following actions shall be taken:

(a) Notwithstanding anything to the contrary contained in Chapter 6 (commencing with Section 12500) of Part 2 of Division 3 of Title 2 of the Government Code or any other law, the Attorney General shall appoint independent counsel to faithfully and vigorously defend this Act to the fullest extent possible on behalf of the State of California.

(b) Before appointing or thereafter substituting independent counsel, the Attorney General shall exercise due diligence in determining the qualifications of independent counsel and shall obtain written affirmation from independent counsel that independent counsel will faithfully and vigorously defend this Act to the fullest extent possible. The written affirmation shall be made publicly available immediately upon request.

(c) In order to support the defense of this Act in instances where the Governor and Attorney General fail to do so despite the will of the voters, a continuous appropriation is hereby made from the General Fund to the Controller, without regard to fiscal years, in an amount necessary to cover the costs of retaining independent counsel to faithfully and vigorously defend this Act on behalf of the State of California to the fullest extent possible.