

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

EDUCATION FUNDING. SALES TAX. INITIATIVE STATUTE AND CONSTITUTIONAL AMENDMENT. Imposes 1% sales and use tax to supplement current education funding. Requires that 89% of new revenue be used for kindergarten through grade 12 and 11% be used for community colleges. Prohibits transfer or borrowing of funds by Legislature. Authorizes funds for uses including staff development, teacher salaries, student services and programs like art, music, and vocational education. Prohibits use for administrative costs. Excludes revenues from budget and spending limitation calculations. Requires annual independent audits with State Controller review of findings. Authorizes civil or criminal penalties for misuse of funds. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: Increased revenues of \$2.5 billion in 2009-10 and \$5.1 billion annually thereafter from a one-cent per dollar increase in the sales and use tax. Revenues would be dedicated to specific K-12 education and community college programs. Decreased revenues to state and local governments from a reduction in sales-related tax revenues due to decreased overall consumption. The amount of the decreased revenues could be hundreds of millions of dollars annually. (08-0021.)