

Date: January 10, 2008
Initiative No. 07-0084

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

COLLEGE AND UNIVERSITY FEES. WEALTH TAX. STATUTE. Forbids increasing resident undergraduate student fees in University of California and California State University systems for five years. Provides fee increases after five years shall not exceed the change in California Consumer Price Index. Provides application of the fee restrictions to University of California requires approval by University Regents. Imposes one-percent tax on individual taxable income that exceeds one-million dollars, and requires 60% of revenue go to the university systems subject to the fee restrictions. Establishes accountability panel and requires annual "accountability update" detailing how tax revenue are spent. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: Annual increase in state revenues of roughly \$2 billion from a new 1 percent tax on high-income individuals. Of these new revenues, 60 percent would be allocated to undergraduate education at the state's public universities and the remaining 40 percent likely would be spent on K-14 education. Reduction in public university undergraduate fee revenues (primarily from a five-year freeze on fee levels), potentially exceeding \$1 billion by the end of the freeze period. (Initiative 07-0084.)