Appendix

Estimating the Initiative’s Impact on California Spending, 2009–10

This appendix describes how I calculated the amount of money locked in by initiatives, reported in Table A. References to the “Legislative Analyst’s estimates” refer to the estimates provided by the state Legislative Analyst in the California Ballot Pamphlet, published by the California secretary of state prior to each election. The ratio of debt service to debt was assumed to be 10 percent of the outstanding debt as of Dec. 31, 2009.

Proposition 9 (1974) — Political reform
The measure requires an appropriation of not less than $1 million (adjusted for inflation) for the California Fair Political Practices Commission. The number in Table A is $1 million adjusted for inflation since 1975 using the U.S. Census Bureau’s Consumer Price Index. The commission is typically funded in excess of the minimum requirement.

Proposition 86 (1986) — Toxic discharge
The number in the Legislative Analyst’s estimated enforcement cost, adjusted for inflation since 1986.

Proposition 70 (1988) — Natural resource preservation bonds
The measure authorized $776 million in bonds to purchase and maintain wildlife, coastal and park lands. Outstanding general debt was $207.55 million.

Proposition 97 (1988) — Cal/OSHA
The measure required the state to maintain its own Occupational Safety and Hazard program. The number in Table A is the enacted budget total for the Targeted Inspection and Consultation Fund.

Proposition 98 (1988) — Education
The measure guaranteed minimum state spending for K-14 education from the Department of Finance’s Chart C.

Proposition 99 (1988) — Tobacco tax
The measure locked in spending equal to the revenue that flows into the Cigarette and Tobacco Products Surtax Fund from tobacco surtaxes.

Proposition 103 (1988) — Auto insurance
The measure regulated automobile insurance rates. The number in Table A is the legislative analyst’s upper estimate for state administrative costs adjusted for inflation since 1988.

Proposition 116 (1990) — Rail bonds
The measure authorized $1.99 billion in bonds for rail transportation. Outstanding debt was $1.01 billion.

Proposition 117 (1990) — Wildlife protection
The measure created the Habitat Conservation Fund to acquire land for parks and to protect wildlife, and guaranteed the fund at $30 million per year.

Proposition 122 (1990) — Gill net ban
The measure banned the use of gill nets off the coast of Southern California. The number is the legislative analyst’s estimated cost of enforcing the ban adjusted for inflation since 1990.

Proposition 184 (1994) — Three strikes
The measure toughened sentences on repeat offenders. The number is 10 percent of the Legislative Analyst’s estimate in 1994. The original spending projections by the RAND Corporation that were used by the legislative analyst were predicated on universal application of the law. The California Supreme Court, however, subsequently gave judges significant leeway to ignore the initiative, and the original estimates turned out to be much too high, leading a subsequent RAND study that concluded there was no evidence any of the projected costs actually materialized. Rather arbitrarily, the actual cost is an assumed 10 percent of the legislative analyst’s estimate of $3 billion per year.

Proposition 10 (1998) — Early childhood development
The measure increased the tax on cigarettes by 50 cents a pack, and dedicated the money to a variety of uses, chief among them early childhood development programs. The initiative locks in spending equal to the amount raised from the tobacco surtax for the California Children and Families First Trust Fund.

Proposition 21 (2000) — Juvenile crime
The measure toughened sentences for juvenile offenders. The number in Table A is the Legislative Analyst’s estimate of additional prison operating costs adjusted for inflation since 2000, plus 0.1 of the estimated new construction costs (implicit debt service), not adjusted for inflation. The number of juveniles serving time as adults declined after the measure passed so this number is likely to be an overestimate of the measure’s true cost.

Proposition 49 (2002) — After school programs
The measure required the state to spend $550 million per year on after school programs.

Proposition 50 (2002) — Water projects bonds
The measure authorized $3.44 billion of bonds for water projects. Outstanding bonds and commercial paper was $2.28 billion.

Proposition 61 (2004) — Children’s hospitals bonds
The measure authorized $750 million of bonds, with $695 million outstanding.

Proposition 62 (2004) — Surtax on millionaires for mental health services
The measure levied an additional 1 percent tax on personal income greater than $1 million, with revenue dedicated health service programs (county programs for mentally ill). This measure also prohibited the state from reducing General Fund support for mental health services below the level in 2003-2004. Forecast revenue was $858 million, and spending in 2003-2004 was $894 million.

Proposition 71 (2004) — Stem cell research bonds
The measure authorized $3 billion of bonds, with $916 million outstanding.

Proposition 84 (2006) — Water bonds
The measure authorized nearly $5.4 billion of bonds for water and conservation projects, with $1.32 billion outstanding.

Proposition 3 (2008) — Children’s hospitals bonds
The measure authorized $980 million of bonds, with $295 million outstanding.