

1970

# TAXATION FOR SCHOOLS AND SOCIAL WELFARE

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# AMENDMENTS TO CONSTITUTION

## PROPOSITION 8

Together With Arguments

To Be Submitted to the Electors of the State of California at the

### PRIMARY ELECTION — TUESDAY, JUNE 2, 1970

Compiled by GEORGE H. MURPHY, Legislative Counsel

Distributed by FRANK M. JORDAN, Secretary of State

## PART I — ARGUMENTS

<p><b>8</b> <b>TAXATION FOR SCHOOLS AND SOCIAL WELFARE.</b> Initiative Constitutional Amendment. Requires State provide from sources other than property taxes not less than 50% of costs for public schools, exclusive of capital outlay and federal funds, and 90% of costs for social welfare services, exclusive of federal participation, and costs for new county services required by State law. State funds for public schools shall be apportioned in accordance with price index and other requirements. Increases minimum homeowners' property tax exemption from \$750 to \$1000. If this proposed initiative is adopted undefined additional financing from state sources in the approximate amount of \$1,130,000,000 for 1970-1971, will be required, and this cost will increase annually thereafter.</p>	<b>YES</b>	
	<b>NO</b>	

(For Full Text of Measure, See Part II)

**General Analysis by the Legislative Counsel\***

A "Yes" vote is a vote to provide from other than property taxes not less than 50 percent of costs for public schools (excluding capital outlay and federal funds), 90 percent of the costs for welfare services, and all of the costs for new county services required by state law; and to increase the minimum homeowners' property tax exemption from \$750 to \$1,000.

A "No" vote is a vote against requiring the payment of such costs from other than property taxes and to retain the present minimum homeowners' property tax exemption. For further details see below.

**Detailed Analysis by the Legislative Counsel\***

In general, this initiative measure would require the Legislature to provide for the payment from other than ad valorem taxes on property: (1) not less than 50 percent of the  
(Continued on page 2, column 1)

\* Section 3566 of the Elections Code requires the Legislative Counsel to prepare an impartial analysis of each measure appearing on the ballot.

**Cost Analysis by the Legislative Analyst\***

If Proposition 8 is approved by the voters, the State Legislature now in session will be required to enact legislation to provide for a maximum of \$1,130 million in new financing during the 1970-71 fiscal year, and this cost will increase annually thereafter.

This initiative does not contain any revenue provisions. Therefore, the Legislature will have to finance this increased cost by either: (1) increasing state taxes, or (2) imposing a combination of higher state taxes and authorizing counties to levy additional non-property taxes.

The following parts of this initiative have definable cost implications.

1. Local education. The initiative contains a formula for computing the state's future share of local education costs. Using 1968-69  
(Continued on page 2, column 2)

\* Section 3566.3 of the Elections Code requires the Legislative Analyst to prepare an impartial analysis of each measure on the ballot which in his opinion involves additional cost.

**Detailed Analysis by the  
Legislative Counsel**

*(Continued from page 1, column 1)*

cost of education in the Public School System, excluding capital outlay expenditures and expenditures from federal funds, and (2) not less than 90 percent of all state and local costs of social welfare services, including but not limited to the cost of administration and capital outlay. "Public school system" would be defined as including all kindergarten schools, elementary schools, high schools, technical schools, and community colleges established in accordance with law and, in addition, the school districts and other agencies authorized to maintain them. "Social welfare services" would be defined as community mental health services and public social services as provided in the statutes on November 10, 1969, or by any statute enacted after that date to provide the same or similar services and programs.

The measure would also require the Legislature to provide to the counties either: (1) funds from other than ad valorem taxes on property or (2) sources of revenue other than ad valorem taxes on property, sufficient to meet the expenditures of each county by reason of state laws requiring new, additional or increased services, other than social welfare services, which become or were operative after November 10, 1969.

**Schools**

The Constitution **now** fixes minimum salaries for certain school personnel and includes the state colleges within the definition of the public school system. This measure would remove these provisions from the Constitution.

The Constitution **now** requires an appropriation of not less than \$180 per unit of average daily attendance (a.d.a.) to the State School Fund for apportionment in each fiscal year for support of the Public School System. This measure would require the appropriation to the State School Fund per unit of a.d.a. to be not less than 50 percent of the total school district general fund and other agency expenditures for education per unit of a.d.a., exclusive of capital outlay and federal funds, for a determinable base year, adjusted by a prescribed price index. This measure would also require the Legislature to provide not less than 50 percent of the estimated cost of any new educational program or expansion of any existing educational program authorized or required by law.

The Constitution **now** requires the Legislature to provide for the annual levy of school district taxes, at rates not in excess of the maximum rates fixed or authorized by the Legislature. This measure would require the Legislature to provide for the annual levy of taxes in all school districts and agencies of the public school system sufficient to produce in total for each fiscal year not less than an amount equivalent to the amount appropriated

*(Continued on page 3, column 1)*

**Cost Analysis by the Legislative Analyst**

*(Continued from page 1, column 2)*

state and local expenditures as a base, the amount is annually increased to reflect growth in average daily attendance (a.d.a.) and growth in a component of the national consumer price index. The state must finance 50 percent of this continually growing a.d.a. expenditure.

We estimate that this state unit cost will be a "maximum" of \$375 per a.d.a. in 1970-71, which will amount to an increase of \$585 million in state costs. The term **maximum** is used because education costs are unclear in the initiative and the cost estimates are based on a limited definition of expenditures which was suggested by the sponsors of the initiative. These definitions do not include credit for state education expenditures for textbooks, teachers' retirement, debt service on school building aid loans, and the educational expense of persons in youth authority or mental hygiene facilities. If these state costs are included in the formula, more recognition will be given to the state's existing contribution, and therefore the added requirement will be less. The question of the legal interpretation of "total education expenditures" has not been resolved.

2. **Social welfare.** This initiative provides that not more than ten percent of the total state and local cost for social welfare and health care shall be financed from property taxes.

The welfare costs include such programs as Old Age Security, Aid to Families with Dependent Children and general relief. We estimate that this limit will shift \$288 million in welfare costs away from property taxes during 1970-71. This shift could become an added state cost, or it could be financed by new county non-property taxes authorized by the Legislature.

3. **Health care costs.** We estimate that the previously mentioned limit will shift \$157 million in local health care (i.e. Medi-Cal) costs in 1970-71 either to state taxes or other local taxes.

4. **Homeowners' exemption.** This initiative would increase the homeowners' property tax exemption for eligible home owners from \$750 to \$1,000. We estimate that this change will increase state costs by \$100 million in 1970-71.

Because this initiative does not set a limit on total property taxes the reductions which it makes in property taxes for schools and welfare may be offset, at least in part, by acceleration of property taxes for other local purposes, thus producing, as a final result, a net increase in total state and local tax burdens.

**Detailed Analysis by the  
Legislative Counsel**

*(Continued from page 2, column 1)*

by the Legislature to the State School Fund in such fiscal year. Under this measure, the authority of school districts and agencies to adopt budgets within statutory tax rate limits and provisions existing on the date of the adoption of this measure could not be reduced.

The Constitution **now** requires that the State School Fund be apportioned in each fiscal year in such manner as the Legislature may provide, except that each school district shall be apportioned not less than \$120 per unit of a.d.a. and each school district shall receive not less than \$2,400. This measure would require that the State School Fund be apportioned each fiscal year in such manner as the Legislature may provide, provided that: (1) no school district may receive per unit of a.d.a. less than 40 percent of the average current apportionment per unit of a.d.a. to all school districts and agencies during any fiscal year, (2) each unit of a.d.a. of educationally disadvantaged pupils, as defined by the Legislature, must be multiplied by a weighted factor of 1.5 in determining the total units of a.d.a., and (3) 3 percent of the total State School Fund must be apportioned for the excess cost of the support of programs for educationally disadvantaged pupils.

**Budget Bill**

The Constitution **now** requires that the State Budget Bill be enacted before any other appropriation may be passed, except emergency bills recommended by the Governor or appropriations for the support of the Legislature. This measure would provide that if the Budget Bill, which is required to include an appropriation to the State School Fund, and the bill or bills apportioning the appropriation for the fiscal year beginning July 1, are not passed by the Legislature and signed by the Governor by April 30 of the same year, the appropriation to the State School Fund and the bill or bills apportioning the appropriation shall be enacted by the Legislature and signed by the Governor by May 30 as separate items.

**Homeowners' Exemption**

The Constitution **now** provides for a minimum homeowners' exemption of \$750 of the assessed value of a dwelling occupied by the owner thereof on the first day of March, and requires the State to reimburse local government for any property tax revenues lost by reason of this exemption or any increase in the exemption made by the Legislature. This measure would increase the minimum exemption to \$1,000 of assessed value.

**(For Cost Analysis by Legislative Analyst see page 1, column 2.)**

**Argument in Favor of Proposition 8**

**Voters Argument**

Vote **YES** on Proposition 8—the first workable, comprehensive property tax reform in California since 1932.

Vote **YES** on Proposition 8—and enjoy an immediate reduction in your next property tax bill due December 10.

Vote **YES** on Proposition 8—and achieve a quality system of educational opportunity for all students in all districts in the state, including educationally disadvantaged students in urban, suburban and rural areas.

Property taxpayers now bear such a disproportionate tax load that "property tax relief" is as popular as motherhood. Unfortunately, some proposals have been so drastic that their "cure" would be worse than the disease; while others have gone nowhere because of partisan political infighting.

Proposition 8 is a carefully considered plan, worked out after intensive study by the California Teachers Association and the County Supervisors Association of California, consulting with experts in education, government and taxation. It is being presented directly to the public for decision.

Proposition 8 relieves the burden on property taxpayers in four ways:

(1) It provides immediate property tax relief by limiting County responsibility for welfare to 10% of total State and local costs.

(2) It provides immediate property tax relief by increasing the homeowners' property tax exemption from \$750 to \$1000.

These two provisions translate, in the case of a Los Angeles County homeowner, to an immediate saving of \$1.17 per \$100 assessed valuation on his next tax bill (\$117 on a \$10,000 assessed home); an immediate saving of \$109 on a \$10,000 home in Alameda County; an immediate saving of \$171 on a \$10,000 home in Fresno County.

(3) Proposition 8 requires the State to assume 50% of the State-local responsibility for school operations, thus further lessening the pressure on the property tax, now bearing 62% of that load. Savings will vary from school district to district, depending on local needs and decisions.

(4) Proposition 8 provides further protection for property taxpayers by requiring the State to finance at least 50% of the cost of new State-mandated school programs, and 100% of the cost of new State-mandated County programs.

Proposition 8 makes no change in present levels of welfare support, which is properly a matter of determination by the Legislature.

Proposition 8 will take education out of politics by establishing a permanent financing

formula, and by precluding the State from again shifting its proper share of support to the property taxpayer.

Contrary to some hysterical proposals for odious new State taxes, the cost of granting relief to local property taxpayers can be financed by modest increases in existing State tax sources. The entire cost could be financed, for example, by removal of the present sales tax exemptions—exclusive of food and drugs—and a 1 cent increase in the sales tax rate.

In the best interest of beleaguered property taxpayers—both homeowners and renters to whom the tax is passed on by landlords—and in the interest of better educational opportunities for all California school students, vote YES on Proposition 8.

MARGARET L. LEMMER,  
President,  
California Teachers Association

SIG SANCHEZ, President,  
County Supervisors Association  
of California

#### Rebuttal to Argument in Favor of Proposition 8

Quality education for whom?

Proposition 8 guarantees an increase of approximately \$40 per pupil (5%) to the richest districts in the state. On the other hand, disadvantaged student support is limited to 3% of total funds.

Proposition 8 is none of the things its sponsors claim.

It guarantees no education program improvement.

The only guaranteed tax relief is an increase in the homeowners' exemption, which is \$25 per family. Nothing for renters!

Proposition 8 requires new state taxes amounting to \$200 per family of four.

"Removal of the present sales tax exemptions", as proponents suggest, would mean new sales taxes on dental, medical and legal bills; personal services such as barber, beauty shop, laundry and dry cleaning; repairs; newspapers and periodicals; and household utilities and tenant rentals.

Freezing these tax claims of welfare and public education into the Constitution will create vast new demands for state support. This poses a threat to traditional state support for conservation, recreation, health care, higher education, air and water pollution control and other worthy programs. Actual need will no longer be a basis for setting a priority on expenditures.

Proposition 8 would take effect July 1st, leaving very little time for sweeping tax decisions. Rather than being "a carefully con-

sidered plan", Proposition 8 is a plan for fiscal chaos.

ROBERT C. BROWN,  
Executive Vice President,  
California Taxpayers' Association

MRS. EDWARD RUDIN, President,  
League of Women Voters of California

#### Argument Against Proposition 8

The welfare and education lobby in this proposition proposes an instant \$1.13 billion tax increase with guaranteed annual increases thereafter. The source of this \$1.13 billion is not stated but it must come from additional state taxes. This could double income taxes, or increase sales taxes to from six to 10 cents. Property taxes will not decrease.

The welfare-school spending measure constitutionally prevents the Legislature from lowering property taxes but requires increases of unspecified taxes. There are no cost controls but there are provisions for cost increases.

The measure further places a major part of the state budget in the hands of 1,144 school boards and out of control of the Legislature. School budgets adopted each August will determine how much of the money appropriated the preceding April or May is to be spent. No proof of need is necessary. Education and welfare claims will have Constitutional priorities over all others.

Of education funds, 85% goes for salaries. School boards will be pressured for major salary increases. If one of the wealthier boards grants increases, others can be expected to follow in order to "compete." The state must pay half.

The measure will make the rich school districts richer and do little for the poor. All existing school tax loopholes and inequities will be frozen into the Constitution. There now are 44 ways school boards may and do bypass the \$1.90 maximum tax rate. This measure says none may be removed legislatively.

It is poor budgetary policy to freeze into the Constitution any funding because needs increase and decrease. This measure assumes that education needs will never change.

On welfare, too, the measure mandates 90% of welfare costs to the state with no expenditure controls. This is equivalent to giving welfare an unlimited credit card backed by the State Treasury.

Since this measure requires legislative funding of all new county programs, it will require the state to take full control of programs dealing with pollution, drug abuse, health services and law enforcement. This will result in many local decisions being taken away from locally elected officials and placed in the hands of Sacramento administrators.

This is not tax relief by any definition. It is a guarantee of continued property taxation

and of higher income and sales taxes, probably including a tax on food purchases. It is a guarantee that the school and welfare spenders can determine needs and then hand the bill to the taxpayer.

Don't double your taxes. Vote NO on Proposition 8.

ROBERT C. BROWN,  
Executive Vice President,  
California Taxpayers' Association  
MRS. EDWARD RUDIN,  
President,  
League of Women Voters  
of California

**Rebuttal to Argument Against Proposition 8**

The Opposition Argument reflects a flagrant disregard for truth in an attempt to influence the electorate to further delay action on property tax reform.

Obviously, in order to achieve significant relief for local property taxpayers, State revenues must be increased but such increases would be far below the totally unrealistic examples given in the Opposition's misleading Argument.

Proposition 8 requires the State to assume 50% of the cost of educating children and 90% of the State and local cost of welfare. It does not increase total welfare cost.

Contrary to the Opposition Argument, Proposition 8 does not require legislative funding of all new county programs—but only those new county programs mandated by the State Legislature. Proposition 8 protects local property taxpayers from having to pick up the tab—as they have had to do repeatedly in the past—for new county and school programs forced upon them by the State with no provisions for funding.

Those lobbies and groups that oppose granting relief to local property taxpayers should frankly say so—they should not resort to deliberate falsification of the facts.

Proposition 8 grants substantial property tax relief immediately and provides better education opportunity for children in all districts where the property tax has assumed unbearable proportions.

You have been promised property tax relief for years. You will not get it unless you force the issue. Vote YES on Proposition 8.

SIG SANCHEZ,  
President,  
County Supervisors Association  
of California

MRS. MARGARET L. LEMMER,  
President,  
California Teachers Association

**PART II—APPENDIX**

<b>8</b>	<p><b>TAXATION FOR SCHOOLS AND SOCIAL WELFARE.</b> Initiative Constitutional Amendment. Requires State provide from sources other than property taxes not less than 50% of costs for public schools, exclusive of capital outlay and federal funds, and 90% of costs for social welfare services, exclusive of federal participation, and costs for new county services required by State law. State funds for public schools shall be apportioned in accordance with price index and other requirements. Increases minimum homeowners' property tax exemption from \$750 to \$1000. If this proposed initiative is adopted undefined additional financing from state sources in the approximate amount of \$1,130,000,000 for 1970-1971, will be required, and this cost will increase annually thereafter.</p>	<b>YES</b>	
		<b>NO</b>	

(This proposed Initiative Constitutional Amendment expressly amends an existing section of the Constitution, repeals an existing section thereof, and adds a new section thereto; therefore, **EXISTING PROVISIONS** proposed to be **DELETED** are printed in **STRIKEOUT TYPE** and **NEW PROVISIONS** proposed to be **INSERTED** are printed in **BOLDFACE TYPE**.)

**PROPOSED AMENDMENTS TO ARTICLES IX AND XIII.**

FIRST—A new section 15½ is added to Article XIII thereof, to read as follows:

Sec. 15½(a). The people hereby declare that in order to reduce the burden of property taxation it is in the best interest of the State to provide, from other than ad valorem property taxes, not less than fifty per cent (50%) of the cost of education in the Public School System and not less than ninety per cent (90%) of the cost of social welfare services. The people further declare that the funds to be thus provided are required in order to reduce the disproportionate demand upon homeowners and other property tax payers for the support of educational and social welfare services and programs, to

equalize the wide variations in the ability of local agencies to support such services and programs, and to aid urban and certain other school districts to meet increased demands due to the concentration of educationally disadvantaged pupils in such school districts, and direct that the Legislature recognize these disparities and apportion funds for school purposes in such a manner as to provide adequate educational programs for all pupils regardless of where they reside.

(b) The Public School System shall include all kindergarten schools, elementary schools, high schools, technical schools and community colleges established in accordance with law and, in addition, the school districts and other agencies authorized to maintain them. No school or college or any part of the Public School System shall be, directly or indirectly, transferred from the Public School System or placed under the jurisdiction of any authority other than one included within the Public School System.

(c) The budget as submitted to the Legislature by the Governor pursuant to Section 12 of Article IV of this Constitution, and the budget bill as enacted by the Legislature and signed by the Governor, shall include an appropriation to the State School Fund out of the revenue from State taxes, other than ad valorem taxes on property, sufficient to provide in the Fund for the support of the Public School System a required amount which shall be not less than fifty per cent (50%) of the total school district general fund and other agency expenditures for education per unit of average daily attendance, exclusive of capital outlay expenditures and expenditures funded from federal sources, multiplied by the estimated total units of average daily attendance in the Public School System for the fiscal year.

(d) For the fiscal year immediately succeeding the date of the election at which this section is adopted, the amount so appropriated per unit of average daily attendance in such year shall be not less than the required fifty per cent (50%) of the total school district general fund and other agency expenditures for education per unit of average daily attendance, exclusive of capital outlay expenditures and expenditures funded from federal sources, reported by the school districts and other agencies in the Public School System for the second immediately preceding fiscal year (herein designated the "base year"), adjusted either upward or downward in proportion to the percentage increase or decrease in the services-less-rent component for the month of January of the National Consumer Price Index published by the Bureau of Labor Statistics of the United States Department of Labor for the two succeeding fiscal years. In determining this

percentage adjustment the index for the month of January in the third immediately preceding fiscal year (herein designated the "base index") shall be used as the base with which increases or decreases in subsequent indexes shall be compared. For each succeeding fiscal year, the amount appropriated per unit of average daily attendance shall be not less than the required fifty per cent (50%) of the expenditures so reported for the base year adjusted upward or downward in proportion to the percentage increase or decrease in such component for the month of January in the immediately preceding fiscal year as compared with the base index. In the absence of the National Consumer Price Index referred to in this section, the Controller shall designate a comparable index to be used in determining the amount to be so appropriated.

(e) The entire State School Fund shall be apportioned in each fiscal year in such manner as the Legislature may provide, through school districts and other agencies maintaining such schools, for the support of, and aid to, kindergarten schools, elementary schools, high schools, technical schools and community colleges. No school district shall receive from the State School Fund per unit of average daily attendance less than forty per cent (40%) of the average current apportionment per unit of average daily attendance to all school districts and agencies during any fiscal year.

(f) In making such apportionment each unit of average daily attendance of educationally disadvantaged pupils shall be counted as one hundred fifty per cent (150%) of the unit of average daily attendance of other pupils. The Legislature shall define who are educationally disadvantaged pupils. Three per cent (3%) of the total State School Fund shall be apportioned for the excess cost of the support of programs for educationally disadvantaged pupils.

(g) Solely with respect to any retirement system provided for in the charter of any county or city and county pursuant to the provisions of which the contributions of, and benefits to, certificated employees of a school district who are members of such system are based upon the proportion of the salaries of such certificated employees contributed by said county or city and county, or to school districts therein, pursuant to the provisions of this section shall be considered as though derived from county or city and county school taxes for the support of county and city and county government and not money provided by the State within the meaning of this section.

(h) The Legislature shall provide for the levying annually of taxes in all school districts and agencies in the Public School System sufficient to produce in total for each

fiscal year not less than an amount equivalent to the amount appropriated out of State revenues to the State School Fund for such fiscal year. The authority of school districts and agencies to adopt budgets within the statutory tax rate limits and provisions existing on the date of the adoption of this section shall not be reduced.

(i) Notwithstanding any other provisions of this Constitution, if the budget bill, and the bill or bills prescribing the manner in which the apportionments from the State School Fund are to be made, are not passed by the Legislature and signed by the Governor by April 30 in any fiscal year, the appropriation to the State School Fund include in the budget bill, and the bill or bills prescribing the manner in which the funds so appropriated shall be apportioned, shall be passed by the Legislature and signed by the Governor on or before May 30 of such year as separate items.

(j) By a separate appropriation bill, the Legislature may increase the amount of the State School Fund included in the budget bill. If any new educational program or expansion of any existing educational program is authorized or required by law, the Legislature shall provide an additional amount in the State School Fund of not less than fifty per cent (50%) of the estimated cost of such new program or expansion of program.

(k) After deducting any federal financial participation, not more than ten per cent (10%) of the expenditures for social welfare services shall be financed from revenue raised from ad valorem property taxation. "Expenditures for social welfare services" means all costs, including but not limited to the cost of administration and capital outlay, for all the services and programs authorized by Division 5 and Division 9 of the Welfare and Institutions Code as they read on November 10, 1969, or by any subsequent statute enacted to provide the same or other services and programs of a similar nature.

(l) The Legislature shall provide for subventions to counties from revenue sources other than ad valorem property taxation in amounts equal to the amount of expenditures of each county by reason of state laws requiring new, additional or increased services, other than social welfare services as defined in subdivision (k) hereof, which become or were operative after November 10, 1969 or the Legislature shall provide for revenue sources other than ad valorem property taxation sufficient to meet such expenditures.

(m) The provisions of this section shall be effective and operative for all purposes for the entire fiscal year immediately succeeding the date of the election at which this section is approved and adopted. Such provisions shall be self-executing to the fullest extent

possible and legislation not in conflict herewith shall be enacted to facilitate its operation. Such provisions shall supersede all provisions of this Constitution and laws enacted thereunder in conflict therewith. If any such provision is for any reason declared or adjudged unconstitutional or invalid, such declaration or adjudication shall not affect the remainder of the provisions.

SECOND—Section 1d of Article XIII thereof is amended to read as follows:

See Section 1d. The homeowners' property tax exemption shall apply to each dwelling, as defined by the Legislature, occupied by an owner thereof on the lien date as his principal place of residence. This exemption shall not apply to any dwelling if an owner thereof has been granted an exemption for the assessment year pursuant to Section 1 $\frac{1}{4}$ , 1 $\frac{1}{4}$ a or 1 $\frac{1}{4}$ b of this article, nor shall it apply to any property which the Legislature, by general laws, excludes from the exemption by reason of the fact that the tax on such property is paid either in whole or in part, either directly or indirectly, by the state or any political subdivision thereof. Only one homeowners' property tax exemption shall apply to each dwelling.

There is exempt from taxation the amount of ~~\$750~~ \$1,000 of the assessed value of the dwelling and this shall be known as the homeowners' property tax exemption. The amount of the exemption may be increased or decreased by the Legislature, a majority of all of the members elected to each of the two houses voting in favor thereof, but such exemption shall not be reduced below ~~\$750~~ \$1,000 of such assessed value.

The Legislature shall provide by general laws for subventions to counties, cities and counties, cities, and districts in this state in an amount equal to the amount of revenue lost by each such county, city and county, city, and district by reason of the homeowners' property tax exemption. No increase by the Legislature in the homeowners' property tax exemption above the amount of ~~\$750~~ \$1,000 shall be effective for any fiscal year, unless the Legislature increases the rate of state taxes in an amount sufficient to provide subventions, and shall provide subventions, during such fiscal year to each county, city and county, city and district in this state a sum equal to the amount of revenue lost by each by reason of such increase.

Any revenues subvented by the state to replace revenues lost by reason of the homeowners' property tax exemption may be used by a county, city and county, city, or district for state purposes or for county, city and county, city, or district purposes, as the case may be.

Nothing in this Constitution shall constitute a limitation on the taxation of property, or ~~on~~ in the bonding capacity of the state or

of any city, city and county, county, or district, when based on a percentage of assessed or market value of property; provided, however, that the Legislature may establish maximum property tax rates and bonding limitations for units of local government.

For the 1968-1969 fiscal year only, the Legislature may effect the exemption by payment of \$70 to taxpayers in the manner specified in Senate Bill No. 8 of the 1968 First Extraordinary Session of the Legislature, the provisions of which are hereby ratified.

THIRD—Section 6 of Article IX thereof is repealed.

Sec. 6. Each person, other than a substitute employee, employed by a school district as a teacher or in any other position requiring certification qualifications shall be paid a salary which shall be at the rate of an annual salary of not less than twenty-four hundred dollars (\$2,400) for a person serving full time, as defined by law.

The Public School System shall include all kindergarten schools, elementary schools, secondary schools, technical schools, and State colleges, established in accordance with law and, in addition, the school districts and the other agencies authorized to maintain them. No school or college or any other part of the Public School System shall be, directly or indirectly, transferred from the Public School System or placed under the jurisdiction of any authority other than one included within the Public School System.

The Legislature shall add to the State School Fund such other means from the revenues of the State as shall provide in said fund for apportionment in each fiscal year, an amount not less than one hundred and eighty dollars (\$180) per pupil in average daily attendance in the kindergarten schools, elementary schools, secondary schools, and technical schools in the Public School System during the next preceding fiscal year.

The entire State School Fund shall be apportioned in each fiscal year in such manner as the Legislature may provide, through the school districts and other agencies maintaining such schools, for the support of, and aid to, kindergarten schools, elementary schools, secondary schools, and technical schools except that there shall be apportioned to each school district in each fiscal year not less than one hundred twenty dollars (\$120) per pupil in average daily attendance in the district during the next preceding fiscal year and except that the amount apportioned to each school district in each fiscal year shall be not less than twenty-four hundred dollars (\$2,400).

Solely with respect to any retirement system provided for in the charter of any county or city and county pursuant to the provisions of which the contributions of, and benefits to, certificated employees of a school district who are members of such system are based upon the proportion of the salaries of such certificated employees contributed by said county or city and county, all amounts apportioned to said county or city and county, or to school districts therein, pursuant to the provisions of this section shall be considered as though derived from county or city and county school taxes for the support of county and city and county government and not money provided by the State within the meaning of this section.

The Legislature shall provide for the levying annually by the governing body of each county, and city and county, of such school district taxes, at rates not in excess of the maximum rates of school district tax fixed or authorized by the Legislature, as will produce in each fiscal year such revenue for each school district as the governing board thereof shall determine is required in such fiscal year for the support of all schools and functions of said district authorized or required by law.

## CERTIFICATE OF SECRETARY OF STATE

State of California, Department of State, Sacramento, California

I, Frank M. Jordan, Secretary of State of the State of California, do hereby certify that the foregoing measure will be submitted to the electors of the State of California at the PRIMARY ELECTION to be held throughout the State on the second day of June, 1970, and that the foregoing pamphlet is correct.

Witness my hand and the Great Seal of the State, at office in Sacramento, California, the twelfth day of March, 1970.



*Frank M. Jordan*  
SECRETARY OF STATE