

11-2-1995

School Funding. Vouchers. State Funding For Private Education.

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 SACRAMENTO, CA 95814
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 e-mail: comments@ss.ca.gov

BILL JONES

Secretary of State
State of California

April 19, 1996

#676

TO: ALL COUNTY CLERKS/REGISTRARS OF VOTERS AND
PROPONENT (96154)

FROM:

A handwritten signature in cursive script, appearing to read "Cathy Mitchell".

CATHY MITCHELL
Initiative Coordinator

RECEIVED

APR 25 1996

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Pursuant to Elections Code section 9030(b), you are hereby notified that the total number of signatures to the hereinafter named proposed INITIATIVE CONSTITUTIONAL AMENDMENT filed with all county elections officials is less than 100 percent of the number of qualified voters required to find the petition sufficient; therefore, the petition has failed.

TITLE: SCHOOL FUNDING. VOUCHERS.
STATE FUNDING FOR PRIVATE EDUCATION.
INITIATIVE CONSTITUTIONAL AMENDMENT

SUMMARY DATE. November 2, 1995

PROPCONENTS.

Deccran C. Wright	David K. Schumann
Milton Friedman	Rose Friedman
Stephen Guffanti	Laura D. Head
Bernie Richter	Lewis K. Uhler
Howard Kaloogian	Rabbi Pinchas Lipner
Carl L. Brodt	Steve Baldwin
Jack F. Pon	Robert Stani
Frank D. Riggs	Dean F. Andai
Kathleen O'Connell-Sundaram	

✓

✓

✓



Bill Jones
Secretary of State

1500 - 11th Street
Sacramento, CA 95814

Elections Division
(916) 657-2166
For Hearing and Speech
Impaired Only: (800) 833-8683

#676

November 13, 1995

TO: All County Clerks/Registrars of Voters (95146)

FROM: *Cathy Mitchell*
Cathy Mitchell
Initiative Coordinator

SUBJECT: **SCHOOL FUNDING. VOUCHERS. STATE FUNDING FOR PRIVATE EDUCATION. INITIATIVE CONSTITUTIONAL AMENDMENT.**

I am enclosing a new copy of the above initiative. One of the proponents, Deborah C. Wright, was inadvertently omitted from the list of proponents on page three. Please replace the initiative you received with this new copy.

Please feel free to contact me if you have any questions.





Bill Jones
Secretary of State

1500 - 11th Street
Sacramento, CA 95814

Elections Division
(916) 657-2166
For Hearing and Speech
Impaired Only: (800) 833-8683

#676

November 2, 1995

TO ALL REGISTRARS OF VOTERS, OR COUNTY CLERKS, AND PROPONENTS (95139)

Pursuant to Section 336 of the Elections Code, we transmit herewith a copy of the Title and Summary prepared by the Attorney General on a proposed Initiative Measure entitled:

SCHOOL FUNDING. VOUCHERS.
STATE FUNDING FOR PRIVATE EDUCATION.
INITIATIVE CONSTITUTIONAL AMENDMENT.

Circulating and Filing Schedule

- 1. Minimum number of signatures required 693,230
Cal. Const., Art. II, Sec. 8(b).
- 2. Official Summary Date Thursday, 11/02/95
Elec. C., Sec. 336.
- 3. Petition Sections:
 - a. First day Proponent can circulate Sections for
signatures Thursday, 11/02/95
Elec. C., Sec. 336.
 - b. Last day Proponent can circulate and file with
the county. All sections are to be filed at
the same time within each county Monday, 04/01/96*
Elec. C., Secs. 336, 9030(a)
 - c. Last day for county to determine total number of
signatures affixed to petition and to transmit total
to the Secretary of State Thursday, 04/11/96
Elec. C., Sec. 9030(b)

(If the Proponents file the petition with the county on a date prior to 04/01/96, the county has eight working days from the filing of the petition to determine the total number of signatures affixed to the petition and to transmit the total to the Secretary of State.) Elec. C., Sec. 9030(b).

* Date adjusted for official deadline which falls on Saturday. Elec. C., Sec. 60

d. Secretary of State determines whether the total number of signatures filed with all county clerks meets the minimum number of required signatures, and notifies the counties Saturday, 04/20/96**
Elec. C., Sec. 9030(c)

e. Last day for county to determine total number of qualified voters who signed the petition, and to transmit certificate with a blank copy of the petition to the Secretary of State Monday, 06/03/96
Elec. C., Sec. 9030(d)

(If the Secretary of State notifies the county to determine the number of qualified voters who signed the petition on a date other than 04/20/96, the last day is no later than the thirtieth day after the county's receipt of notification.)
Elec. C., Sec. 9030(d), (e).

f. If the signature count is more than 762,553 or less than 658,569 then the Secretary of State certifies the petition has qualified or failed, and notifies the counties. If the signature count is between 658,569 and 762,553 inclusive, then the Secretary of State notifies the counties using the random sampling technique to determine the validity of all signatures Thursday, 06/13/96**
Elec. C., Secs. 9030(f), (g); 9031(a)

g. Last day for county to determine actual number of all qualified voters who signed the petition, and to transmit certificate with a blank copy of the petition to the Secretary of State Friday, 07/26/96
Elec. C., Sec. 9031(b), (c)

(If the Secretary of State notifies the county to determine the number of qualified voters who have signed the petition on a date other than 06/13/96, the last day is no later than the thirtieth working day after county's receipt of notification.)
Elec. C., Sec. 9031(b), (c).

h. Secretary of State certifies whether the petition has been signed by the number of qualified voters required to declare the petition sufficient Tuesday, 07/30/96**
Elec. C., Sec. 9031(d), 9033

** Date varies based on receipt of county certification.

4. The Proponents of the above-named measure are:

Deborah C. Wright	Laura D. Head	Steve Baldwin
David K. Schumann	Bernie Richter	Bok F. Pon
Kathleen O'Connell-Sundaram	Lewis K. Uhler	Robert Stahl
Milton Friedman	Howard Kaloogian	Frank D. Riggs
Rose Friedman	Rabbi Pinchas Lipner	Dean F. Andal
Stephen Guffanti	Carl L. Brodt	

645 - 14th Avenue
San Francisco, CA 94118
(415) 752-7333

5. Important Points:

- (a) California law prohibits the use of signatures, names and addresses gathered on initiative petitions for any purpose other than to qualify the initiative measure for the ballot. This means that the petitions cannot be used to create or add to mailing lists or similar lists for any purpose, including fund raising or requests for support. Any such misuse constitutes a crime under California law. Elections Code section 18650; Bilofsky v. Deukmejian (1981) 123 Cal.App. 3d 825, 177 Cal.Rptr. 621; 63 Ops. Cal.Atty.Gen. 37 (1980).
- (b) Please refer to Elections Code sections 100, 101, 104, 9001, 9008, 9009, 9021, and 9022 for appropriate format and type consideration in printing, typing, and otherwise preparing your initiative petition for circulation and signatures. Please send a copy of the petition after you have it printed. This copy is not for our review or approval, but to supplement our file.
- (c) Your attention is directed to the campaign disclosure requirements of the Political Reform Act of 1974, Government Code section 81000 et seq.
- (d) When writing or calling state or county elections officials, provide the official title of the initiative which was prepared by the Attorney General. Use of this title will assist elections officials in referencing the proper file.
- (e) When a petition is presented to the county elections official for filing by someone other than the proponent, the required authorization shall include the name or names of the persons filing the petition.
- (f) When filing the petition with the county elections official, please provide a blank petition for elections official use.

NOTE TO PROPONENTS WHO WISH TO QUALIFY FOR THE NOVEMBER 5, 1996 GENERAL ELECTION: This initiative must be certified for the ballot 131 days before the election (June 27, 1996). Please remember to time your submissions accordingly. For example, in order to allow the maximum time permitted by law for the random sample verification process, it is suggested that proponents file their petitions to county elections officials by April 19, 1996. If a 100% check of signatures is necessary, it is advised that the petitions be filed by February 28, 1996.

Sincerely,



CATHY MITCHELL
ELECTIONS SPECIALIST

DANIEL E. LUNGREN
Attorney General

State of California
DEPARTMENT OF JUSTICE



1300 I STREET, SUITE 125
P.O. BOX 944255
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Facsimile: (916) 323-2137
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November 2, 1995

FILED

In the office of the Secretary of State
of the State of California

NOV 2 1995

Bill Jones
Secretary of State
1500 - 11th Street
Sacramento, CA 95814

BILL JONES, Secretary of State
By *Ch Mitchell*
Deputy Secretary of State

Re: Initiative Title and Summary
Subject: SCHOOL FUNDING. VOUCHERS. STATE FUNDING FOR PRIVATE
EDUCATION. INITIATIVE CONSTITUTIONAL AMENDMENT.
File No: SA 95 RF 0017

Dear Mr. Jones:

Pursuant to the provisions of sections 9004 and 336 of the Elections Code, you are hereby notified that on this day we mailed to the proponents of the above-identified proposed initiative our title and summary.

Enclosed is a copy of our transmittal letter to the proponents, a copy of our title and summary, a declaration of mailing thereof, and a copy of the proposed measure.

According to information available in our records, the names and address of the proponents are as stated on the declaration of mailing.

Sincerely,

DANIEL E. LUNGREN
Attorney General

A handwritten signature in cursive script that reads "Kathleen F. DaRosa".

KATHLEEN F. DaROSA
Initiative Coordinator

KFD:ms
Enclosures

Date: November 2, 1995
File No: SA95RF0017

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

SCHOOL FUNDING. VOUCHERS. STATE FUNDING FOR PRIVATE EDUCATION.

INITIATIVE CONSTITUTIONAL AMENDMENT. Amends state constitution to permit state-funded voucher payments to qualifying private and religious schools as grants for newly enrolled children. Provides partial vouchers, funded solely from program-generated savings, for children already enrolled in private schools prior to measure's approval. Establishes minimum per-pupil levels of state funding for education when specified economic conditions occur; repeals Proposition 98 funding formulas. Restricts regulation of private schools and exempts private schools from designated Uniform Building Code requirements. Requires academic testing in voucher-redeeming schools. Withholds vouchers from schools teaching hatred or advocating unlawful conduct. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Fiscal effect largely unknown, and depends on implementation and interpretation of measure and response to measure. State savings, potentially in the billions of dollars annually, if Legislature funds K-14 education at the new minimum funding levels established by measure, resulting in reduced funding for local school districts. State costs to provide vouchers for K-12 students attending private schools, offset or exceeded by lower state public school expenditures. State and local savings, potentially in excess of \$100 million annually, to the extent that private school vouchers reduce long-term capital outlay needs for public schools.

The Educational Freedom Amendment

The following section, The Educational Freedom Amendment, hereby adds Section 17 to Article IX, amends Section 8 of Article IX, amends Sections 3 and 5 of Article XVI and repeals and adds Section 8 of Article XVI of the California Constitution:

Section 17. (a) Purpose. The people of this state, in recognition of their right to promote the general welfare, to secure the blessings of liberty to themselves and their posterity, and to pursue and obtain happiness; find that parents and not the State have the right to choose the appropriate educational setting for their children whether that setting is a private school or a public school. Therefore, those parents who choose not to send their children to schools operated or owned by the State or any of its subdivisions or agencies are eligible to receive a scholarship and may choose to use that scholarship for the education of their children at a scholarship-redeeming private school. consistent with this section.

(b) Empowerment of Parents: Issuing of Scholarships.

(1) Except as to school age children who are eligible to receive a partial scholarship under paragraph (2), commencing with the fiscal year following the approval by the voters of this section, the parents of a school age child in this state may receive, upon request, a full scholarship, for purposes of enrolling the child in a scholarship-redeeming private school of the parents' choice.

(2) Commencing with the second fiscal year following the approval by the voters of this section, the parents of a school age child in this state who was attending private school upon the date this section was approved by the voters, or who attended a private school, or received other private instruction in lieu of attending public school, for more than 100 school days in the fiscal year prior to the approval by the voters of this section, shall be eligible to receive a partial scholarship for purposes of enrolling the child in a scholarship-redeeming private school of the parents' choice. This paragraph shall apply notwithstanding the fact that the child was attending or enrolled in a public school upon the date this section was approved by the voters.

(c) Valuation of Scholarships.

(1) The amount of a full scholarship, excluding any increases provided pursuant to paragraph (3) of this subdivision or subdivision (d), shall be as follows:

(A) In kindergarten, one thousand dollars (\$1,000) per school year.

(B) In first grade, one thousand five hundred dollars (\$1,500) per school year.

(C) In second grade, two thousand two hundred fifty dollars (\$2,250) per school year.

(D) In grades 3 to 12, inclusive, three thousand five hundred dollars (\$3,500) per school year.

(2) The amount of a partial scholarship, excluding any increases provided by paragraph (3) of this subdivision or subdivision (d), shall be calculated by subtracting the aggregate cost to the State of full scholarships from the total savings to public schools achieved through the transfer of public school pupils to private schools, including scholarship-redeeming private schools. The resultant amount, after deducting the direct costs of implementation, shall be divided by the number of pupils eligible to receive a partial scholarship. The amount of a partial scholarship may equal, but shall not exceed, the full scholarship amount, as defined, per grade level. If the

savings are not sufficient to enable the amount of partial scholarships to equal the amount of full scholarships, the partial scholarship for each grade level shall be the same proportionate amount of the full scholarship for that grade level as set forth in paragraph (1).

(3) The legislature may increase the amount of full or partial scholarships annually.

(4) If the scholarship amount exceeds the tuition and fees of a scholarship-redeeming private school for any year in which the pupil is in attendance, the surplus shall become a credit for the benefit of the pupil, held in trust by the State Treasurer. This credit shall be used to supplement future tuition or fee costs that exceed the scholarship amount in other grade levels through grade 12 at scholarship-redeeming private schools or in any institution of higher education in California, public or private, which meets the requirements imposed on scholarship-redeeming private schools pursuant to subparagraphs (A) and (B) of paragraph (2) of subdivision (g). Any credit remaining on the date the pupil is 21 years of age shall become part of the savings used to calculate partial scholarships.

(d) Provision for adjustments in scholarship values.

(1) The Controller shall calculate annually the following savings:

(A) The total savings to public schools achieved through the transfer of public school pupils to private schools, including scholarship-redeeming private schools, after the enactment of this section.

(B) The savings in state school facilities construction costs due to the reduction in the total number of pupils attending public schools after the enactment of this section.

The amount of savings and the exact method used to calculate those savings is information in the public domain and shall be publicly disclosed. Based upon the Controller's calculation of savings, if necessary, the Legislature shall adjust annually the amount of full scholarships for children in kindergarten and any of grades one to twelve, inclusive, and the amount of partial scholarships to ensure that each scholarship is at the maximum amount consistent with fiscal neutrality.

(2) For purposes of determining the total savings to public schools achieved through the transfer of public school pupils to private schools, including scholarship-redeeming private schools, the number of pupils who would have entered kindergarten in the public schools in any fiscal year following the approval by the voters of this section but for the approval of this section, shall be presumed to be 87 percent of the total number of pupils entering kindergarten in that fiscal year. If the number of kindergarten pupils who actually enroll in public schools is less than 87 percent of the total of kindergarten pupils enrolling in school, both public and private, then the number of kindergarten pupils by which the public enrollment is less than 87 percent shall be deemed transfers from public schools and these transfers shall be included in the calculation of savings pursuant to subparagraph (A) of paragraph (1) of this subdivision.

(3) If the total savings to public schools achieved through the transfer of public school pupils to private schools, including scholarship-redeeming private schools, less the direct costs of implementation and the costs of full scholarships, exceeds the amount required for the purposes of funding partial scholarships under this section, any excess amount of funds shall be returned to taxpayers by a revision of tax rates or fee schedules within the next two subsequent fiscal

years. However, in no event shall this paragraph operate to reduce the minimum funding guarantee of subdivision (a) of Section 8 of Article XVI.

(e) Scholarships as Grants of Aid.

(1) Full scholarships or partial scholarships are grants of aid to children through their parents and not to the schools in which the children are enrolled. These scholarships do not constitute taxable income to the parents or the child.

(2) No child shall receive a scholarship for any portion of the fiscal year in which the child is enrolled in a non-scholarship-redeeming private school.

(3) Parents of pupils are free to choose any scholarship-redeeming private school, and that selection is not, and shall not be deemed to be a decision or act of the State or any of its subdivisions. After the parents designate the scholarship-redeeming private school, the school shall notify and provide proof of enrollment to the county office of education in the county in which the school is located. The county office of education shall compile this information for all scholarship-redeeming private schools within the county and shall submit a statement of current enrollment within 30 days of receipt of proof of enrollment to the Controller each month. The Controller shall disburse monthly the pupil's scholarship in ten equal amounts to the scholarship-redeeming private school for credit to the parents' account, excepting funds held in trust pursuant to paragraph (4) of subdivision (c). Monthly disbursements shall occur within 30 days of receipt of the statement of current enrollment from the county office of education. If a pupil receiving a scholarship transfers from a scholarship-redeeming private school, the school shall provide written notification of the transfer to the county office of education within 10 days of the date of the transfer.

(f) Protection of Private Schools.

(1) Private schools, including scholarship-redeeming private schools, regardless of size, need maximum flexibility to educate pupils. Therefore, private schools shall be free from unnecessary, burdensome or onerous regulation. In any legal proceeding challenging a state statute or any regulation promulgated pursuant to a state statute as inconsistent with this section, the State shall bear the burden of establishing that the statute or regulation is necessary and that the statute or regulation does not impose any undue burden on private schools, including scholarship-redeeming private schools.

(2) Except as provided in this section, private schools including scholarship-redeeming private schools, are not subject to any state regulation beyond the State statutes, in effect and as enforced, that applied to private schools on January 1, 1994, including, but not limited to, Article 1 (commencing with Section 32000), Article 2 (commencing with Section 32020), and Article 5 (commencing with Section 32050) of Chapter 1 of Part 19 of, Article 5 (commencing with Section 33190) and Article 10.5 (commencing with Section 35295) of Chapter 2 of Part 20 of, and Sections 44237, 48200, 48202, 48222, 49068, 49069, and 51202 of, the Education Code. No additional laws shall be enacted by the Legislature pertaining to private schools, including scholarship-redeeming private schools, unless approved by a three-fourths vote of each house of the Legislature.

(3) No regulation or ordinance may be enacted on or after the approval by the voters of this section that affects a private school and that pertains to health, safety or land use and is imposed

by any county, city, city and county, district or other subdivision of the State, except by a two-thirds vote of the governmental body issuing or enacting the regulation or ordinance and a majority vote of qualified electors within the affected jurisdiction. In any legal proceeding challenging a regulation or ordinance as inconsistent with this section, the governmental body issuing or enacting the regulation or ordinance shall bear the burden of establishing that the regulation or ordinance meets each of the following criteria:

(A) It is essential to assure the health, safety or education of pupils, or, as to any land use regulation, that the governmental body has a compelling interest in issuing or enacting the regulation or ordinance.

(B) It does not unduly burden or impede private schools or the parents of students attending private schools.

(C) It does not harass, injure or suppress private schools.

(4) The people find and declare that it is in the best interest of the children of California for new private schools to be created and flourish. The people find and declare that Chapter 8 (commencing with Section 801) of Part III of the 1994 Uniform Building Code, and any amendments thereto adopted prior to the date this section is approved by the voters, constitutes an unnecessary, burdensome and onerous regulation that does not result in any increased safety for the children of the State. Therefore, the requirements for Group E Occupancies of the Uniform Building Code shall not apply to private schools that substantially comply with all other building, safety, and health codes for the type of buildings they occupy in the same manner as all other tenants who use the same building or type of building for noneducational purposes.

(g) Requirements for a scholarship-redeeming private school.

(1) A private school may become a scholarship-redeeming private school by filing with the Superintendent of Public Instruction a statement certifying that the school satisfies the legal requirements that applied to private schools on January 1, 1994, and each of the requirements set forth in paragraph (2).

(2) To become a scholarship-redeeming private school, a private school shall certify that it meets each of the following requirements:

(A) The school does not discriminate on the basis of race, ethnicity, color or national origin.

(B) The school does not advocate unlawful behavior or teach hatred of any person or group on the basis of race, ethnicity, color, national origin, religion or gender. Nothing in this section shall be taken to preclude the establishment of same sex schools or classrooms.

(C) The school does not deliberately provide false or misleading information about the school.

(D) No person convicted of (i) any felony or crime involving moral turpitude, (ii) any offense involving lewd or lascivious conduct, or (iii) any offense involving molestation or other abuse of a child, owns, contracts with or is employed by the school.

(E) A high school shall certify either (i), that the school has obtained notice from the University of California, The California State University, or any private accredited college or university, that coursework completed by a pupil at the high school in one or more academic subjects designated by the institution issuing notice will fulfill the institution's admission requirements in the designated subject or subjects if a pupil's grades and the duration of study are acceptable; or (ii), that it has received either accreditation or provisional accreditation from an accrediting agency.

(3) Each scholarship-redeeming private school shall comply with each of the following requirements on an annual basis:

(A) Prepare a statement of financial condition that lists the revenues, expenses and debts of the school and a document listing the qualifications and backgrounds of the school's teachers, administrators, owners and governing board members. These documents shall be provided to parents upon request.

(B) Select and administer tests for the purpose of monitoring academic improvement of pupils. The composite results of the test scores for each grade level shall be released to the public. Individual results shall be released only to the child's parents and the school that the child attends.

(4) Any scholarship-redeeming private school may establish a code of conduct and discipline and enforce the code with sanctions, including dismissal. The school shall provide to the parent a copy of the written code of conduct and discipline upon the pupil's admission to the school. A pupil who is responsible for serious or habitual misconduct related to school activity or school attendance may be dismissed. A dismissed pupil may use the unused portion of a scholarship for the balance of the year in which the dismissal occurred at any other scholarship-redeeming private school that will grant admission. The school shall notify the county office of education in writing within ten days of any such dismissal.

(5) Notwithstanding paragraph (2) of subdivision (f), the Legislature shall by majority vote enact civil and criminal penalties for schools and persons who engage in fraudulent conduct in connection with the solicitation of pupils or the redemption of scholarships under this section.

(6) This section shall be fully implemented commencing with the fiscal year following its approval by the voters. For each month that this section is not implemented after that date, the State shall pay interest at the rate of 7 percent per annum on the scholarship amount that otherwise would have been made available to parents for the payment of tuition and fees at a scholarship-redeeming private school for eligible children who transferred from a public school to a scholarship-redeeming private school, entered kindergarten, or qualified to receive a partial scholarship under paragraph (1) of subdivision (b). The interest shall be applied to increase the amount of the scholarships. Interest shall not be calculated for delays due to any proceedings brought under subdivision (i).

(h) Definitions. For purposes of this section, the following terms have the following meanings:

(1) "Child" is a person eligible to attend kindergarten or any of grades 1 to 12, inclusive, in the public school system.

(2) "Parent" is any person having legal or effective custody of the child.

(3) "Total savings to public schools achieved through the transfer of public school pupils to private schools, including scholarship-redeeming private schools," is determined for the current fiscal year as follows.

(A) Compute an adjusted statewide per pupil average amount by multiplying the statewide per pupil amount provided in the preceding fiscal year pursuant to subdivision (a) of Section 8 of Article XVI by at least ninety percent (90%). This percentage shall be ninety percent (90%) unless a percentage greater than ninety percent (90%) is specified by the legislature.

(B) Compute the total savings to public schools achieved through the transfer of public school pupils to private schools, including scholarship-redeeming private schools, by multiplying the adjusted statewide per pupil average amount, from subparagraph (A), by the number of pupils who transfer from public schools to private schools, including scholarship-redeeming private schools, in the current fiscal year or who continue their enrollment in private schools, including scholarship-redeeming private schools, during the current fiscal year after having transferred in any year commencing with the fiscal year following the approval by the voters of this section.

(C) The difference computed by subtracting the adjusted statewide per pupil average amount, from subparagraph (A), from the actual statewide per pupil average amount for the current fiscal year, as determined by the Legislature, shall be multiplied by the number of pupils who transfer from public schools to private schools, including scholarship-redeeming private schools, in that fiscal year or who continue their enrollment in private schools, including scholarship-redeeming private schools, during in the current fiscal year after having transferred in any year commencing with the fiscal year following the approval by the voters of this section; all or a portion of the funds included in the resulting product may be allocated by the Legislature for use in public schools.

(4) "Public school" is any school controlled by a local school district, county office of education, or other government agency that offers kindergarten or any of grades 1 to 12, inclusive, but excluding all scholarship-redeeming private schools and all other private schools.

(5) "Qualified electors" are persons registered to vote, whether or not they vote in any particular election. The requirement in paragraph (3) of subdivision (f) of approval by a majority vote of qualified electors within the jurisdiction shall be imposed only to the extent permitted by this Constitution and the Constitution of the United States.

(6) "Fiscal Neutrality" means that for any fiscal year no additional money is required in excess of the amount of money that otherwise would be provided pursuant to subdivision (a) of Section 8 of Article XVI in the absence of this section.

(7) "General Fund proceeds of taxes appropriated pursuant to Article XIII B" means General Fund revenues that are the proceeds of taxes as defined by subdivision (c) of Section 8 of Article XIII B of this Constitution.

(8) "Allocated local proceeds of taxes" means for public schools those local revenues, except revenues identified pursuant to paragraph (5) of subdivision (h) of Section 42238, as amended by Section 7 of Chapter 308 of the statutes of 1995, of the Education Code, that are used to offset State aid for public schools.

(9) "Allocated local proceeds of taxes" means for community college districts those local revenues that are used to offset state aid for community college districts.

(10) "Per pupil" calculations or requirements are based on average daily attendance.

(11) "Fiscal year" means the fiscal year of State government.

(12) "Direct costs of implementation" means the reasonable direct administrative costs incurred by State agencies or county offices of education to implement and administer this section.

(i) **Limitations of Actions.** Any action or proceeding contesting the validity of this Section, or any provisions of this Section, or the adoption of this Section, shall be commenced within six (6) months from the date of election at which this Section is approved by the voters. If an action or proceeding is not commenced within this time period, this Section and all of its provisions shall be held valid, legal, and incontestable. However, this limitation shall not preclude an action or proceeding to challenge the application of this Section or any of its provisions to a particular person or circumstance.

(j) This section shall prevail over any other provisions of this Constitution to the contrary unless expressly stated otherwise in this section. No other provision of this Constitution shall prevent implementation of this section.

(k) Preservation of Public School Funding.

(1) Section 8.0 of Article XVI is hereby repealed.

~~SEC. 8. (a) From all state revenues there shall first be set apart the moneys to be applied by the State for support of the public school system and public institutions of higher education.~~

~~—(b) Commencing with the 1990-91 fiscal year, the moneys to be applied by the State for the support of school districts and community college districts shall be not less than the greater of the following amounts:~~

~~(1) The amount which, as a percentage of General Fund revenues which may be appropriated pursuant to Article XIII B, equals the percentage of General Fund revenues appropriated for school districts and community college districts, respectively, in fiscal year 1986-87.~~

~~(2) The amount required to ensure that the total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B and allocated local proceeds of taxes shall not be less than the total amount from these sources in the prior fiscal year, excluding any revenues allocated pursuant to subdivision (a) of Section 8.5, adjusted for changes in enrollment and adjusted for the change in the cost of living pursuant to paragraph (1) of subdivision (e) of Section 8 of Article XIII B. This paragraph shall be operative only in a fiscal year in which the percentage growth in California per capita personal income is less than or equal to the percentage growth in per capita General Fund revenues plus one half of one percent.~~

~~(3) (A) The amount required to ensure that the total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B and allocated local proceeds of taxes shall equal the total amount from these sources in the prior fiscal year, excluding any revenues allocated pursuant to subdivision (a) of Section 8.5, adjusted for changes in enrollment and adjusted for the change in per capita General Fund revenues.~~

~~—(B) In addition, an amount equal to one half of one percent times the prior year total allocations to school districts and community colleges from General Fund proceeds of taxes appropriated pursuant to Article XIII B and allocated local proceeds of taxes, excluding any revenues allocated pursuant to subdivision (a) of Section 8.5, adjusted for changes in enrollment.~~

~~(C) This paragraph (3) shall be operative only in a fiscal year in which the percentage growth in California per capita personal income in a fiscal year is greater than the percentage growth in per capita General Fund revenues plus one half of one percent.~~

~~(c) In any fiscal year, if the amount computed pursuant to paragraph (1) of subdivision (b) exceeds the amount computed pursuant to paragraph (2) of subdivision (b) by a difference that exceeds one and one half percent of General Fund revenues, the amount in excess of one and one half percent of General Fund revenues shall not be considered allocations to school districts and community colleges for purposes of computing the amount of state aid pursuant to paragraph (2) or 3 of subdivision (b) in the subsequent fiscal year.~~

~~(d) In any fiscal year in which school districts and community college districts are allocated funding pursuant to paragraph (3) of subdivision (b) or pursuant to subdivision (h), they shall be entitled to a maintenance factor, equal to the difference between (1) the amount of General Fund moneys which would have been appropriated pursuant to paragraph (2) of subdivision (b) if that paragraph had been operative or the amount of General Fund moneys which would have been appropriated pursuant to subdivision (b) had subdivision (b) not been suspended, and (2) the amount of General Fund moneys actually appropriated to school districts and community college districts in that fiscal year.~~

~~(e) The maintenance factor for school districts and community college districts determined pursuant to subdivision (d) shall be adjusted annually for changes in enrollment, and adjusted for the change in the cost of living pursuant to paragraph (1) of subdivision (e) of Section 8 of Article XIII B, until it has been allocated in full. The maintenance factor shall be allocated in a manner determined by the Legislature in each fiscal year in which the percentage growth in per capita General Fund revenues exceeds the percentage growth in California per capita personal income. The maintenance factor shall be reduced each year by the amount allocated by the Legislature in that fiscal year. The minimum maintenance factor amount to be allocated in a fiscal year shall be equal to the product of General Fund revenues from proceeds of taxes and one half of the difference between the percentage growth in per capita General Fund revenues from proceeds of taxes and in California per capita personal income, not to exceed the total dollar amount of the maintenance factor.~~

~~(f) For purposes of this section, "changes in enrollment" shall be measured by the percentage change in average daily attendance. However, in any fiscal year, there shall be no adjustment for decreases in enrollment between the prior fiscal year and the current fiscal year unless there have been decreases in enrollment between the second prior fiscal year and the prior fiscal year and between the third prior fiscal year and the second prior fiscal year.~~

~~(h) Subparagraph (B) of paragraph (3) of subdivision (b) may be suspended for one year only when made part of or included within any bill enacted pursuant to Section 12 of Article IV. All other provisions of subdivision (b) may be suspended for one year by the enactment of an urgency statute pursuant to Section 8 of Article IV, provided that the urgency statute may not be made part of or included within any bill enacted pursuant to Section 12 of Article IV.~~

(2) Section 8 of Article XVI is added thereto to read:

Section 8 (a) The total allocations to public schools from General Fund proceeds of taxes appropriated pursuant to Article XIII B and allocated local proceeds of taxes shall not be less per pupil in any fiscal year than the per pupil amount, calculated on a statewide per pupil average

basis, from these sources in the preceding fiscal year, as estimated by the Director of Finance, or four thousand five hundred dollars (\$4,500) per pupil, whichever is greater. This subdivision shall be operative only in a fiscal year in which the percentage growth in California per capita personal income is less than the percentage growth in per capita General Fund revenues, as estimated by the Director of Finance.

(b) The total allocations to community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B and allocated local proceeds of taxes and proceeds of enrollment fees per State-funded full-time-equivalent student shall not be less than the statewide average amount per State-funded full-time-equivalent student in the 1995-1996 fiscal year or three thousand two hundred dollars (\$3,200) per State-funded full-time-equivalent student, whichever is greater.

(3) Section 8 of Article IX is amended to read:

Section 8 (a) No public money shall ever be appropriated for the support of any sectarian or denominational school, or any school not under the exclusive control of the officers of the public schools; nor shall any sectarian or denominational doctrine be taught, or instruction thereon be permitted, directly or indirectly, in any of the common schools of this State.

(b) Nothing in this section shall prevent the Legislature from making an appropriation or a grant of aid to the parents or guardian of a child for the purposes of allowing the child to attend kindergarten or any of grades 1 to 12, inclusive, at any school, including a sectarian school.

(4) Section 3 of Article XVI is amended to read:

Section 3 No money shall ever be appropriated or drawn from the State Treasury for the purpose or benefit of any corporation, association, asylum, hospital, or any other institution not under the exclusive management and control of the state as a state institution, nor shall any grant or donation of property ever be made thereto by the State, except ~~that notwithstanding anything contained as provided~~ as provided in this or any other section of the Constitution.

~~(1)~~

(a) Whenever federal funds are made available for the construction of hospital facilities by public agencies and nonprofit corporations organized to construct and maintain ~~such~~ those facilities, nothing in this Constitution shall prevent the Legislature from making state money available for that purpose, or from authorizing the use of ~~such~~ that money for the construction of hospital facilities by nonprofit corporations organized to construct and maintain ~~such~~ those facilities.

~~(2)~~

(b) The Legislature ~~shall have the power to~~ may grant aid to the institutions conducted for the support and maintenance of minor orphans, or half-orphans, or abandoned children, or children of a father or mother who is incapacitated for gainful work by permanent physical disability or is suffering from tuberculosis in such a stage that he or she cannot pursue gainful occupation, or aged persons in indigent circumstances--such aid to be granted by a uniform rule, and proportioned to the number of inmates of such respective institutions.

~~(3)~~

(c) The Legislature ~~shall have the power to~~ may grant aid to needy blind persons not inmates of any institution supported in whole or in part by the State or by any of its political subdivisions, and no person concerned with the administration of aid to needy blind persons

shall dictate how any applicant or recipient shall expend ~~such~~ the aid granted him or her, and all money paid to a recipient of ~~such~~ the aid shall be intended to help him or her meet his or her individual needs and is not for the benefit of any other person, and ~~such~~ the aid when granted shall not be construed as income to any person other than the blind recipient of ~~such~~ the aid, and the State Department of Social Welfare shall take all necessary action to enforce the provisions relating to aid to needy blind persons as heretofore stated.

(4)

(d) The Legislature ~~shall have the power to~~ may grant aid to needy physically handicapped persons not inmates of any institution under the supervision of the Department of Mental Hygiene and supported in whole or in part by the State or any institution supported in whole or in part by any political subdivision of the State.

(5)

(e) The State ~~shall have at any time the right to~~ may inquire into the management of ~~such~~ the institutions described in this section.

(6)

(f) Whenever any county, or city and county, or city, or town, ~~shall provide~~ provides for the support of minor orphans, or half-orphans, or abandoned children, or children of a father who is incapacitated for gainful work by permanent physical disability or is suffering from tuberculosis in such a stage that he cannot pursue a gainful occupation, or aged persons in indigent circumstances, or needy blind persons not inmates of any institution supported whole or in part by the State or by any of its political subdivisions, or needy physically handicapped persons not inmates of any institution under the supervision of the Department of Mental Hygiene and supported in whole or in part by the State or by any institution supported in whole or part by any political subdivision of the State, ~~such~~ the county, city and county, city, or town ~~shall be~~ is entitled to receive the same pro rata appropriations as may be granted to ~~such~~ those institutions under church, or other control.

(g) An accurate statement of the receipts and expenditures of public moneys under this section shall be attached to and published with the laws at every regular session of the Legislature.

(5) Section 5 of Article XVI is amended to read:

Section 5 (a) Neither the Legislature, nor any county, city and county, township, school district, or other municipal corporation, shall ever make an appropriation, or pay from any public fund whatever, or grant anything to or in aid of any religious sect, church, creed, or sectarian purpose, or help to support or sustain any school, college, university, hospital, or other institution controlled by any religious creed, church, or sectarian denomination whatever; nor shall any grant or donation of personal property or real estate ever be made by the State, or any city, city and county, town, or other municipal corporation for any religious creed, church, or sectarian purposes whatever, ~~provided that nothing~~.

(b) Nothing in this section shall prevent the Legislature from making an appropriation or a grant of aid to the parents or guardian of a child for the purposes of allowing the child to attend kindergarten or any of grades 1 to 12 inclusive, at any school, including a sectarian school, or granting aid pursuant to Section 3 of Article XVI.

(l) **Implementation.** The Legislature shall enact any legislation necessary to fully implement this measure. That legislation shall be consistent with the purposes and provisions of this

measure and is subject to any vote requirements expressed in this measure or other provisions of this Constitution.

(m) **Severability.** The provisions of this measure are severable. If any provision of this measure or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

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