



**DEBRA BOWEN** | SECRETARY OF STATE  
STATE OF CALIFORNIA | ELECTIONS

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January 21, 2009

County Clerk/Registrar of Voters (CC/ROV) Memorandum #09005

TO: All County Clerks/Registrars of Voters and Proponent

FROM:

  
Katherine Montgomery  
Associate Elections Analyst

RE: Initiative: 1350, Related to Labor

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

**RENEGOTIATION OF PUBLIC EMPLOYEE PENSION CONTRACTS.  
INITIATIVE CONSTITUTIONAL AMENDMENT.**

The proponent of the above-named measure is:

Paul McCauley  
1640 5<sup>th</sup> Street #214  
Santa Monica, CA 90401-3309

Pmcca28169@aol.com

**RENEGOTIATION OF PUBLIC EMPLOYEE PENSION CONTRACTS.  
INITIATIVE CONSTITUTIONAL AMENDMENT.**

**CIRCULATING AND FILING SCHEDULE**

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1. Minimum number of signatures required: .....694,354  
California Constitution, Article II, Section 8(b)
2. Official Summary Date: .....Wednesday, 01/21/09
3. Petitions Sections:
  - a. First day Proponent can circulate Sections for  
signatures (Elec. Code § 336) ..... Wednesday, 01/21/09
  - b. Last day Proponent can circulate and file with the county.  
All sections are to be filed at the same time within each  
county. (Elec. Codes §§ 336, 9030(a)). ..... Monday, 06/22/09\*
  - c. Last day for county to determine total number of  
signatures affixed to petitions and to transmit total  
to the Secretary of State (Elec. Code § 9030(b)).....Thursday, 07/02/09  
  
(If the Proponent files the petition with the county on a date prior to  
06/22/09, 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. Code § 9030(b)).
  - d. Secretary of State determines whether the total number  
of signatures filed with all county clerks/registrars of  
voters meets the minimum number of required signatures  
and notifies the counties.....Saturday, 07/11/09\*\*
  - 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  
(Elec. Code § 9030(d)(e)) ..... Friday, 08/21/09

\* Date adjusted for official deadline, which falls on a weekend (Elec. Code § 15).

\*\* Date varies based on the date of county receipt.

**INITIATIVE #1350**

**Circulating and Filing Schedule continued:**

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(If the Secretary of State notifies the county to determine the number of qualified voters who signed the petition on a date other than 07/11/09, the last day is no later than the thirtieth working day after the county's receipt of notification). (Elec. Code § 9030(d)(e)).

- f. If the signature count is more than 763,790 or less than 659,637 then the Secretary of State certifies the petition as qualified or failed, and notifies the counties. If the signature count is between 659,637 and 763,790 inclusive, then the Secretary of State notifies the counties using the random sampling technique to determine the validity of **all** signatures (Elec. Code §§ 9030(f)(g), 9031(a)) ..... Monday, 08/31/09\*
- 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. (Elec. Code § 9031(b)(c)). ..... Thursday, 10/15/09

(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 08/31/09, the last day is no later than the thirtieth working day after the county's receipt of notification.) (Elec. Code § 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 (Elec. Code §§ 9031(d), 9033)..... Monday, 10/19/09\*

\*Date varies based on the date of county receipt.

## IMPORTANT POINTS

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- 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 fundraising or requests for support. Any such misuses constitutes a crime under California law. Elections Code section 18650; *Bilofsky v. Deukmejian* (1981) 124 Cal.App.3d 825, 177 Cal.Rptr. 621; 63 Ops.Cal.Atty.Gen. 37 (1980).
- 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.
- Your attention is directed to the campaign disclosure requirements of the **Political Reform Act of 1974**, Government Code section 81000 et seq.
- 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.
- 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.
- When filing the petition with the county elections official, please provide a blank petition for elections official use.

EDMUND G. BROWN JR.  
Attorney General

State of California  
DEPARTMENT OF JUSTICE



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Facsimile: (916) 324-8835  
E-Mail: Krystal.Paris@doj.ca.gov

January 21, 2009

**FILED**  
In the office of the Secretary of State  
of the State of California

JAN 21 2009

Debra Bowen, Secretary of State  
1500 11<sup>th</sup> Street, 5<sup>th</sup> Floor  
Sacramento, CA 95814

Debra Bowen, Secretary of State  
By:   
Deputy Secretary of State

Attention: Ms. Katherine Montgomery  
Associate Elections Analyst

Re: Initiative 08-0018, "The McCauley Public Employee Pension Reform Act." (Amdt. #1S.)

Official Circulating Title: RENEGOTIATION OF PUBLIC EMPLOYEE PENSION  
CONTRACTS. INITIATIVE CONSTITUTIONAL AMENDMENT.

Dear Secretary Bowen:

Pursuant to Elections Code, sections 9004 and 336, you are hereby notified that on this day we mailed our title and summary for Initiative 08-0018, "*The McCauley Public Employee Pension Reform Act.*" (Amdt. #1-S.) to the respective proponent.

Enclosed is a copy of that title and summary, and a copy of the text of the proposed measure.

Sincerely,

  
KRISTAL M. PARIS  
Initiative Coordinator

For EDMUND G. BROWN JR.  
Attorney General

kmp:  
Enclosures

Proponent:  
Paul McCauley, CPA  
1640 5<sup>th</sup> Street, #214  
Santa Monica, CA 90401-3309

Date: January 21, 2009  
Initiative: 08-0018, Amdt. #1-S.

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

RENEGOTIATION OF PUBLIC EMPLOYEE PENSION CONTRACTS. INITIATIVE CONSTITUTIONAL AMENDMENT. Eliminates certain state constitutional restrictions on renegotiating public employee pension contracts. Allows vested pension benefits to be reduced for existing and prospective public-sector retirees. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: Possible reduction in pension costs for state and local governments, depending on future actions by state and local governments and courts. Any such reduction likely would be largely or entirely offset by negotiated increases in other costs, such as employee salaries and wages. (08-0018.)

**PAUL McCAULEY, C.P.A.**

1640 5TH STREET, #214  
SANTA MONICA, CA 90401-3309

TEL (310) 230-5418  
FAX (310) 458-1026  
E-MAIL:PMCCA28169@AOL.COM

08-0018

**RECEIVED**

NOV 21 2008

INITIATIVE COORDINATOR  
ATTORNEY GENERAL'S OFFICE

**Amdt. #1S**

November 18, 2008

Office of the Attorney General  
Ms. Krystal Paris, Initiative Coordinator  
1300 I Street, Suite 125  
P.O. Box 944255  
Sacramento, CA 94244-2550

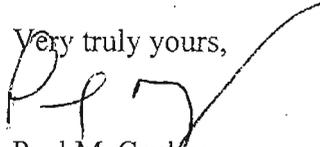
Dear Krystal:

I am submitting an amended version of the *The McCauley Public-Employee Pension Reform Act* (08-0018).

The Legislative Analyst identified a problem area and so the amendment.

I have enclosed a mark up version which identifies the new language added to the original measure. No language was deleted.

Very truly yours,

  
Paul McCauley

SECRETARY OF STATE  
JAN 11 11 51 AM '09

## INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS

SECTION 1. This measure shall be known and may be cited as "*The McCauley Public-Employee Pension Reform Act.*"

SECTION 2. THE PEOPLE OF THE STATE OF CALIFORNIA MAKE THE FOLLOWING FINDINGS AND DECLARATIONS:

- 1) Past promises made to public employees for future pension entitlements were excessive at the time made and were based upon undue influence by means of campaign contributions paid to the public officials who made the promises for the pensions. The public believes that there was no meeting of the minds between the taxpayers and the public employees and therefore no contractual obligation obtained.
- 2) The stock market collapse of 2008 has substantially impaired the taxpayers' ability to pay the promised pensions.
- 3) The credit market collapse of 2008 has substantially impaired the taxpayers' ability to meet a plethora of public needs in addition to paying the promised pensions.
- 4) The tax burden that the public will be compelled to bear in order to fulfill the excessive promises for pensions that have been made will substantially impair the taxpayers' ability to pay for essential fire protection, police protection, public education, health care and to pay for other essential public services and necessities.
- 5) The State of California requires regular and substantial taxpayer investments in transportation systems, including public transit systems to replace private automobiles; energy infrastructure, including nuclear power plant construction; restoration of wetlands, the coast, mountains, deserts and to urgently respond to the impact of global warming.
- 6) The pension promises made, which appear to be largely unattainable even in the best of circumstances, will be wholly unattainable in a future economic recession, depression or inflationary environment, without impairing the public health and safety.
- 7) The pension promises made to public employees at all levels of government in California are so out of proportion to pensions of non-government employees as well as pensions paid to public servants as recently as fifteen years ago as to cause a loss of confidence of the general public in the fairness in the administration of public affairs.
- 8) The State of California lacks the option of seeking renegotiation or repudiation of its pension commitments in United States Bankruptcy Court.
- 9) The excessive financial burdens on taxpayers to pay the promised pensions and to meet funding requirements of existing pension contracts will require a substantial curtailment of public employment at a time of weakening private-sector employment causing an unacceptable level of job loss and unemployment.

- 10) Pension outlays in a number of major metropolitan areas in California already exceed salary and wage outlays for currently-active employees. More is paid to retirees of the Los Angeles Police Department than is paid to active Los Angeles Police Officers; this, at a time when gang violence, drug abuse and other public disorders necessitate more police protection for the public safety.
- 11) Rising unemployment in California is eroding the tax base from which public-employee pensions are to be paid as well as all other essential public services enumerated above and otherwise.
- 12) The cost of maintaining California's prison population and the cost of meeting federal mandates for health care for inmates as well as amelioration of overcrowding in the prisons necessitate that an increasing share of public revenues must be devoted to prison expenditures leaving less funds available to meet pension entitlements and other essential public needs.
- 13) Taxpayers' elected representatives must have the flexibility to respond to present and future public service needs that only a renegotiation of pension contracts would allow. The present budget deficit, lack of access to credit markets, anticipated deterioration in the tax base, anticipated inflation and a host of unknowns mandates a policy of flexibility to renegotiate public-employee pension entitlements to an affordable level.
- 14) For the reasons enumerated, the People of the State of California propose to amend their constitution as follows:

SECTION 3. CALIFORNIA CONSTITUTION ARTICLE 1, SEC. 9 is amended to read:

SEC. 9. A bill of attainder, ex post facto law, or law impairing the obligation of contracts may not be passed, *except that public-employee pension contracts may be renegotiated, including reducing vested benefits for existing and prospective retirees, for the limited purposes enumerated hereinafter.*

1. *To enable the state government, local governments and taxing districts to meet the essential public services of fire and police protection, public health, education and prisons.*
2. *To enable California and its political subdivisions to meet long-term public investment needs to provide for fire and police protection, public health, education, prisons, transportation and energy needs as well as to make an urgent response to global warming effects on the environment.*

SECRETARY OF STATE  
JAMES I. BHS:DP