Joint Legislative Budget Committee
Staff Memorandum

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TO: Richard Stavneak, Director

FROM*:* Aaron Galeener, Fiscal Analyst

SUBJECT: BALLOT PROPOSITION SPENDING

In 1998, Arizona voters approved Proposition 105 to set limits on when the Legislature may modify statutory language in voter-approved ballot propositions. The Legislature may only modify ballot propositions if a three-fourths majority approves an amendment that "furthers the purposes" of the initial proposition. This limitation applies to all voter-approved propositions from 1998 onward.

These ballot propositions enacted since 1998 currently cost the state General Fund between $800 million and $3.9 billion in ongoing spending. The ballot propositions also generate non-General Fund spending of $1.0 billion.

The range in General Fund spending is due to several unanswered legal questions concerning the ballot propositions. In addition, certain federal maintenance of effort (MOE) requirements effectively increases the level of "protected" spending. As a result of both of these complications, the estimates in this analysis are intended as more of a guideline than a definitive calculation.

Since 2004, any ballot initiative or referendum must be funded from non-General Fund sources. Proposition 101 from the November 2004 General Election requires that any post 2004 initiative or referendum must provide for an increased funding source sufficient to cover the costs of the proposal and that the increased funding cannot be derived from the state General Fund.

General Fund Ballot Proposition Spending

Ballot proposition General Fund spending affects budgets for the Arizona Department of Education (ADE), Arizona Health Care Cost Containment System (AHCCCS), Department of Health Services (DHS), Arizona State Parks Board, and Citizens Clean Election Commission (*see Table 1*). The estimate for each affected agency is described further below.

Arizona Department of Education

Proposition 301 from the 2000 election requires the Legislature "to increase the base level or other components of the revenue control limit by a minimum growth rate of either 2% or the change in the GDP price deflator… whichever is less, except that the base level shall never be reduced below the level established for FY 2002" (A.R.S. § 15-901.01).

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This language poses 2 different legal issues: 1) are all components of the revenue control limit subject to inflation adjustments, and 2) once having adjusted the school district payments, can the base level be reduced in the future as long as payments do not fall below the FY 2002 level. Neither issue has been litigated. Depending on the interpretation, Proposition 301 could require state spending of roughly $800 million to $1.7 billion on a permanent basis, as explained below.

Table 1

FY 2011 General Fund
Ballot Proposition Impacts
($ in millions)

Agency	**Amount**
ADE	$800 - 1,700
AHCCCS/DHS	0 - 2,200
Arizona State Parks Board	20
Citizens Clean Elections[1/]	17
Independent Redistricting Commission[2/]	-
Totals	**$800 - 3,937**

1/ The amount transferred to the Citizens Clean Elections Fund can be offset by periodic transfers to the General Fund.
2/ $500,000 in FY 2011

In October 2001, Legislative Council opined that it required the Legislature to increase *either* the base level or route mile funding rates each year (the "or" interpretation). In November 2001, however, the Attorney General opined that it required *both* items to be increased annually (the "and" interpretation).

From FY 2002 (the first year of implementation for Proposition 301) through FY 2010, both the base level and route mile funding were increased annually for inflation. For FY 2011, however, only route mile funding rates were increased. In response, Cave Creek Unified and other school districts filed a lawsuit in June 2010 asking the Arizona Supreme Court to rule that A.R.S. § 15-901.01 requires both base level and route mile funding to be increased each year for inflation. In September 2010, the Arizona Supreme Court decided against taking jurisdiction immediately in the case. In October 2010, the plaintiffs filed their lawsuit in Maricopa County Superior Court.

<u>"Low End" Estimate</u>

The $800 million "low end" estimate assumes that Proposition 301 only requires combined state and local funding to equal the FY 2002 base level ($2,687 per pupil). At the current student count, that FY 2002 base level is estimated at a combined state and local funding level of $2.8 billion. Local property taxes and other non-General Fund revenue sources are expected to fund approximately $2.0 billion of Basic State Aid costs for FY 2011. As a result, required state funding for FY 2011 under the "low end" interpretation would be approximately $800 million ($2.8 billion less $2.0 billion).

<u>"High End" Estimate</u>

The $1.7 billion "high end" estimate assumes inflating both the base level and route mile funding annually since 2002. This would require $3.7 billion in total state plus local funding with $2.0 billion in local and other funds. The "high end" interpretation would cost approximately $1.7 billion.

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<u>Federal MOE Requirements</u>

In addition to Proposition 301, K-12 spending levels are also governed by federal maintenance of effort requirements. As a condition of accepting federal stimulus funding in 2009 and 2010, the state agreed to maintain its support at no less than the FY 2006 spending level through FY 2011. As part of its budget shortfall solutions, the state has lowered its K-12 spending to this FY 2006 level.

Unless the state redefines its FY 2006 spending effort, the state is effectively precluded from additional K-12 reductions through the remainder of FY 2011. As a result, the federal MOE requirement places greater restrictions on state spending than Proposition 301.

AHCCCS/DHS

Proposition 204 from the November 2000 General Election increased the income eligibility limit for Medicaid acute care programs to 100% of the federal poverty level (FPL). The Medicaid program provides federal matching payments for indigent health care programs. The Proposition 204 program does not apply to the state's long-term care program for the elderly, physically and developmentally disabled. Prior to Proposition 204, most adults with income below approximately 23% of FPL qualified for the "Traditional" Medicaid program

In FY 2011, the ongoing General Fund cost of the Proposition 204 program is estimated to be approximately $800 million. The actual level of spending in FY 2011 will be lower, however, due to an enhanced federal match rate as part of the federal stimulus legislation. In addition, the state is projected to expend $167.8 million in tobacco settlement and tobacco tax funds for the program.

While the ongoing General Fund cost of Proposition 204 is approximately $800 million, the level of "voter-protected" spending can range from $0 to $2.2 billion depending on differing legal interpretations. In addition, federal MOE requirements further complicate the analysis.

<u>"Low End" Estimate</u>

Under one interpretation, Proposition 204 does not require the expenditure of General Fund dollars for the program. In terms of its funding, tobacco settlement monies are the initial source of funding for the proposition. Proposition 204 requires that the tobacco settlement monies "…shall be supplemented, as necessary by any other available sources including legislative appropriations and federal monies."

Since the inception of Proposition 204, these settlement funds have been insufficient to cover the cost of the program, and the Legislature appropriated General Fund monies to fill the gap. In the initial FY 2011 budget passed by the Legislature and signed into law, the Proposition 204 program was not funded beyond December 2010. (At that time, federal MOE requirements prevented the elimination of Proposition 204 until that date.) The elimination of General Fund support was based on the rationale that the state was experiencing a $(2.6) billion shortfall and did not have "available" funds to support Proposition 204. As described below, the passage of federal health care reform legislation extended the MOE requirements and the state decided to continue General Fund support for the program.

<u>"High End" Estimate</u>

A second interpretation of the ballot language is that the General Fund is required to fund Proposition 204 regardless of the state's overall budget shortfall**.** In that circumstance, the state's financial commitment extends beyond Proposition 204 to the "Traditional" Medicaid program in existence prior to 2000. Under this interpretation, the state could not somehow reduce the "Traditional" population but leave the Proposition 204 program intact.

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The combined cost of the AHCCCS "Traditional" and Proposition 204 program at the regular match rate is $1.8 billion. In addition, behavioral health services for the Medicaid program, including the Proposition 204 population, are funded through the DHS budget. The federal government requires "medically necessary services" to be provided, including behavioral health services. For the sake of this analysis, we have assumed that all matched behavioral health services funding is "medically necessary." In FY 2011, an estimated $475 million will be spent on the DHS populations below 100% FPL. Total Medicaid spending for populations below 100% of FPL in both AHCCCS and DHS is $2.2 billion.

Even with the high end estimate, there is some flexibility to affect spending. Proposition 204 determines program eligibility, but does not govern payment levels per person or the benefit package. Capitation rates are the monthly payments made to the health plans for each enrolled member. The federal government requires that the capitation rates be sufficient to maintain adequate access to care. The federal government may permit adjustments less than the medical inflation rate. We do not know, however, how much rates can be reduced before the state no longer provides that "adequate access to care". In addition, within both the federally mandated and Proposition 204 programs, AHCCCS provides some optional services. The majority of spending on optional services is attributable to prescription drugs as well as home and community based services.

<u>Federal Maintenance of Effort Requirements</u>

As with K-12, state Medicaid spending is also affected by federal MOE requirements in the American Recovery and Reinvestment Act. In exchange for receiving an enhanced federal match rate to lower state costs, this stimulus legislation requires Arizona to maintain its current eligibility levels through December 2010. In August 2010, the federal government extended the enhanced match rate (at a lower level) to June 2011 along with the eligibility MOE.

The recent enactment of federal health care legislation expanded these requirements even further. The federal Patient Protection and Affordable Care Act (PPACA) was passed on March 2010. Under PPACA, states are required to maintain eligibility standards in place on March 23, 2010 through December 31, 2013. All current populations are essentially federally mandated during this time period with the exception of non-pregnant, non-disabled childless adults above 133% FPL if the state certifies it has a budget deficit. If the state reduces eligibility, it may lose up to $7 billion in federal matching funds.

Beginning in 2014, states will be required to cover all individuals up to 133% FPL. In addition, eligibility for KidsCare must be maintained at its March 23, 2010 level until December 31, 2019. Prior to PPACA and ARRA, the federal government only required coverage for certain groups above 100% FPL, including pregnant women and young children, as well as long-term care recipients below 72% FPL.

While there may be different legal opinions regarding the extent of Proposition 204 spending protection, the federal MOE requirements set in place an even more stringent standard of continuing eligibility above 100% FPL. The state essentially has 4 main programs with income limits above 100% FPL which, though partially optional prior to PPACA, now appears to be mandatory:

- An optional KidsCare program that covers children between 100% and 200% FPL.
- An optional long-term care program for the elderly and physically and developmentally disabled with incomes up to 222% FPL. While the federal minimum had been 72% FPL, PPACA now appears to require a minimum 133% threshold.
- An optional Breast and Cervical Cancer, as well as the Ticket to Work program for individuals with disabilities, with incomes up to 250% FPL.
- A mostly mandatory pre-PPACA program for pregnant women up to 150% FPL and certain children up to 140% FPL.

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As noted above, the cost of the population below 100% FPL is $2.2 billion. The federal MOE requirements increase this cost by another $320 million to a total General Fund level of $2.5 billion.

Arizona State Parks Board

Proposition 303 ("Growing Smarter") from the November 1998 General Election requires $20 million to be deposited each year for 11 years (from FY 2001 through FY 2011) into the Land Conservation Fund administered by the Arizona State Parks Board (A.R.S. § 41-511.23). The annual $20 million deposit through FY 2011, therefore, is subject to Proposition 105.

Monies are to be used to provide grants to purchase state trust land for conservation purposes. All grants must be matched by the public or private entity that is applying for the grant. Grant applications are reviewed by the Conservation Acquisition Board, which recommends grants to the Arizona State Parks Board. The upcoming November 2010 General Election includes Proposition 301, which would transfer the remaining balance from the Land Conservation Fund to the General Fund. The estimated balance is $124 million.

Citizens Clean Election Commission

Proposition 200 ("Citizens Clean Elections") from the November 1998 General Election established 2 individual income tax credits for contributions to the Citizens Clean Election Fund created by the proposition. Those 2 credits are voter protected and have the effect of reducing state revenues by $17.2 million.

The first is a $5 tax credit that taxpayers receive if they mark a check-off box on their individual income tax forms indicating that they want $5 to be deposited into the Citizens Clean Election Fund. If checked, the Arizona Department of Revenue must grant the taxpayer a $5 credit and also transfer $5 to the Citizens Clean Election Fund, for a net state impact of $10. For FY 2011, the estimated amount attributed to the Citizens Clean Election Fund check-off box is estimated to be $17.0 million. Of that amount, $8.5 million is used to reduce taxpayers' liabilities, thereby reducing General Fund revenues, and another $8.5 million is transferred from the General Fund to the Citizens Clean Election Fund.

The second related credit pertains to voluntary contributions that a taxpayer may make to the Citizens Clean Election Fund, pursuant to A.R.S. § 16-954B. Such credits are limited to either 20% of the filers' overall tax liability or $640 ($1,280 for a married couple filing jointly), whichever is more. In FY 2011, it is estimated that approximately $230,000 will be claimed for this credit.

Proposition 200 also requires the Citizens Clean Elections Commission to transfer to the General Fund at least once per year any "excess" monies in the Citizens Clean Election Fund that it projects will not be needed for agency operations and election funding (A.R.S. § 16-954E). Such transfers likewise are voter protected and potentially can offset the negative revenue impact of the 2 tax credits described above. A total of $44.8 million has been transferred to the General Fund, pursuant to A.R.S. § 16-954(E), since establishment of the Citizens Clean Elections Commission in FY 2000.

Independent Redistricting Commission

At the November 2000 General Election, Arizona voters approved Proposition 106, which created the Independent Redistricting Commission (IRC) for the purpose of drawing new legislative and congressional district boundaries after each U.S. Census. Proposition 106 allocated $6 million from the General Fund to the IRC in FY 2001 for the purpose of redrawing the district lines following the 2000 Census. The commission ultimately expended $9.6 million through the redistricting cycle.

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For future years, the proposition instructs the Arizona Department of Administration (ADOA) to submit to the Legislature a recommendation for adequate redistricting expenses. For FY 2011, ADOA recommended $10.2 million. The commission, however, is likely to use only a small portion of its funding in the first year. For this reason, the FY 2011 budget only includes $500,000 for the commission. In subsequent fiscal years, the Legislature would appropriate additional monies to pay for the rest of the redistricting expenses.

Non-General Fund Ballot Proposition Spending

Ballot proposition non-General Fund spending affects the budgets of 12 agencies. Estimated FY 2011 spending is approximately $1.0 billion. *Table 2* summarizes non-General Fund spending by agency while *Table 3* further delineates the information by proposition.

Since the passage of Proposition 101 in 2004, any new initiatives or referendum must be funded from non-General Fund sources. Proposition 201 (Smoke-Free Arizona Act) and Proposition 203 (Early Childhood Development), both passed in 2006, are the only ballot initiatives affected by Proposition 101.

Table 2

Estimated Statewide FY 2011 Non-General Fund Expenditures from Ballot Proposition Sources ($ in millions)

Agency	Amount
AHCCCS	$ 221.3
Biomedical Research Commission	4.8
Citizens Clean Elections	11.3
Community Colleges	14.7
Early Childhood Development	191.5
Department of Education	426.4
Game and Fish Department	6.4
Department of Gaming	9.9
Department of Health Services	25.8
School Facilities Board	65.8
Office of Tourism	6.4
Universities	56.8
Total [1/]	**$1,041.1**

1/ Does not include Proposition 301 $25 million income tax credit for sales tax paid.

AHCCCS

In FY 2011, AHCCCS is estimated to expend $221 million in non-General Fund monies from 3 ballot propositions.

In the November 2000 General Election, Proposition 204 established the Tobacco Litigation Settlement Fund in AHCCCS to receive all monies the state receives under the tobacco litigation master settlement, an agreement entered into on November 23, 1998, plus interest on the fund. As one of the 46 states that entered into the master settlement agreement against the 4 largest cigarette manufacturers, Arizona receives an annual payment adjusted for inflation, the volume of cigarette sales in the state, and the market share of non-participating manufacturers. As described above, Proposition 204 requires coverage for individuals up to 100% FPL. The fund has estimated FY 2011 expenditures of $108.2 million.

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Currently, these funds are only used to offset state match costs of coverage for acute care services for individuals up to 100% FPL.

Proposition 303 from the November 2002 General Election established the Tobacco Products Tax Fund, which distributes monies to the Proposition 204 Protection Account, the Medically Needy Account, and the Emergency Health Services Account in AHCCCS. The fund and its sub-accounts receive revenue from a $0.60 per pack cigarette tax, along with taxes on various other tobacco products. AHCCCS is projected to receive an estimated $85.6 million in Proposition 303 revenue in FY 2011. Of this amount, $26.0 million is used to offset "Traditional" Medicaid costs and $59.6 million is used to offset Proposition 204 Medicaid costs.

Proposition 202 from the November 2002 General Election established the Trauma and Emergency Services Fund, which receives 28% of the state's annual share of gaming proceeds from the Arizona Benefits Fund. Pursuant to A.R.S. § 36-2903.07C, monies in this fund are to only be used to reimburse hospitals for unrecovered trauma center readiness costs and unrecovered clinical, professional, and operational costs incurred while providing emergency services. AHCCCS estimates that this fund will have expenditures of $27.5 million in FY 2011.

Arizona Biomedical Research Commission

Proposition 303 from the November 2002 General Election distributes monies to the Health Research Account. The Biomedical Research Commission is estimated to have expenditures of $4.8 million in FY 2011. Unlike the Health Education Account (administered in DHS), which is entirely subject to ballot proposition protection, only the $0.60 portion of the Health Research Account is subject to ballot proposition protection; the Tobacco Tax and Health Care Fund portion of the Health Research Account, which receives $0.40 per pack cigarette tax, is not subject to ballot proposition protection.

Citizens Clean Elections Commission

Proposition 200 from the November 1998 General Election established the Citizens Clean Election Fund to receive revenue from a new 10% surcharge on civil and criminal fines and penalties (A.R.S. § 16-954C), along with monies associated with 2 individual income tax credits. The agency reports $12.1 million in expected FY 2011 revenues for this fund from the court fine surcharge. FY 2011 expenditures are estimated at $11.3 million.

Arizona Community Colleges

Proposition 301 from the November 2000 General Election increased the state sales tax rate by 0.6% through June 30, 2021. Of these revenues, 3% of the monies remaining after the payment of School Facilities Board debt service are transferred to the workforce development accounts of the Community Colleges. If a Community College is owned by an Indian tribe, it then receives an additional one-twelfth of the amount otherwise allotted to it. In FY 2011, an estimated $14.2 million will be expended for workforce development and $0.5 million for tribal assistance.

Early Childhood Development and Health Board

Proposition 203 from the November 2006 General Election established the Early Childhood Development and Health Fund to receive revenue from a $0.80 per pack tobacco tax, as well as various other increases on tobacco products. These monies are to be used for preschool, child care, parent and family education and support programs, and children's health programs. While this fund is expected to receive revenues of $130.4 million in FY 2011, estimated expenditures are $191.5 million due to available fund balances. The upcoming November 2010 General Election includes Proposition 302, which would eliminate the

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Early Childhood Development and Health Board and transfer the remaining fund balance to the General Fund. The fund is estimated to have a balance of $325 million.

Arizona Department of Education

In FY 2011, ADE estimated expenditures from 2 ballot propositions are $426 million.

ADE's Proposition 301 expenditures (funded by the 0.6% education sales tax) are projected to be $377.1 million. After the payment of school facility bonds, $86.3 million is used for additional school days, $7.8 million for school safety, $1.5 million for failing schools tutoring funds, $0.2 million for Character Education Matching Grants, and $25 million to reimburse the General Fund for the cost of the income tax credit allowed by A.R.S § 43-1072.01. For that credit, Proposition 301 monies account for $25 million of the actual $31 million cost. The $6 million balance is covered by the General Fund and is accounted for in our General Fund estimates.

In addition, up to $7 million may be appropriated by the Legislature to pay for accountability measures (A.R.S. 42-5029E7). After the payment of all the previous items, the remaining monies are to be transferred to the Classroom Site Fund for teacher compensation increases, maintenance, and operating expenses. Projected FY 2011 Classroom Site Fund expenditures are $285.4 million.

Proposition 202 from the November 2002 General Election established the Instructional Improvement Fund, which is to receive 56% of the state's share of gaming proceeds. Up to 50% of the amount allocated to each school district or charter school may be used for teacher salary increases and class size reductions. Funds not spent on these 2 purposes are to be used for dropout prevention and instructional improvement programs. Expected FY 2011 expenditures are $38.2 million.

Arizona Game and Fish Department

Proposition 202 from the November 2002 General Election established the Arizona Wildlife Conservation Fund, which is to annually receive 8% of the state's share of gaming proceeds. The money is to be spent by the Arizona State Fish and Game Commission to conserve and protect Arizona's wildlife resources. Estimated expenditures for FY 2011 are $6.4 million.

Department of Gaming

Proposition 202 from the November 2002 General Election established the Arizona Benefits Fund to be administered by the Department of Gaming (A.R.S. § 5-601.02H1). The greater of $8 million or 9% of the state's annual share of gaming proceeds is to be deposited in the fund for the department's regulatory and administrative costs. In FY 2011, the Department of Gaming estimates $8.1 million will be deposited for this purpose. Additionally, 2% of the state's portion of gaming proceeds is to be allocated for the prevention and treatment of problem gaming. This fund will receive an estimated $1.8 million in revenues for FY 2011. Between the 2 allocations, FY 2011 estimated expenditures are $9.9 million.

Department of Health Services

In FY 2011, DHS is estimated to expend $25.8 million in non-General Fund monies from 2 ballot propositions.

Proposition 303 from the November 2002 General Election distributes a portion of its $0.60 tobacco tax to the Health Education Account in DHS. In addition, the Health Education Account, which also receives monies from a $0.40 per pack increase approved in 1994, was reestablished as voter protected by this

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proposition. This fund will receive an estimated $15.3 million in FY 2011 revenues, including the portion of the $0.40 per pack 1994 increase. FY 2010 expenditures are expected to be $21.7 million.

Proposition 201 ("Smoke-Free Arizona Act") from the November 2006 General Election established the Smoke-free Arizona Fund to receive revenue from a $0.02 per pack tobacco tax increase. This money is to be used for the enforcement of the Smoke-Free Arizona Act. If money is remaining in the fund after the department has met its enforcement obligations, it is to be deposited in the Tobacco Products Tax Fund to be used only for tobacco-use education programs. The fund also receives any fines assessed by DHS on those in violation of this statute. In FY 2011, the fund is estimated to receive $1.9 million in revenues and have expenditures of $4.1 million.

School Facilities Board

The first obligation of Proposition 301 is to pay the debt service up to $800 million in school improvement bonds. In FY 2011, $65.8 million will be spent on debt service.

Office of Tourism

Proposition 202 from the November 2002 General Election requires 8% of the state's share of gaming proceeds to be deposited in the Tourism Fund annually. In FY 2011, the fund will expend an estimated $6.4 million.

Universities

Proposition 301 from the 0.6% sales tax distributes 12% of the monies remaining after the payment of School Facilities Board debt service to the Technology and Research Initiative Fund. In FY 2011, expenditures are estimated to be $56.8 million.

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Table 3

Estimated Statewide FY 2011 Non-General Fund Expenditures from Ballot Proposition Sources ($ millions)

Agency	Prop 200 Citizens Clean Elections [1/]	Prop 201 Smoke Free Arizona [2/]	Prop 202 Gaming [3/]	Prop 203 Early Childhood Development and Health [4/]	Prop 204 Acute Care 100% FPL [5/]	Prop 301 Education [6/]	Prop 303 Tobacco Products Tax Fund [7/]	Total
AHCCCS	-	-	27.5	-	108.2 [8/]	-	85.6 [8/]	$221.3
Biomedical Research Commission	-	-	-	-	-	-	4.8	4.8
Citizens Clean Elections	11.3	-	-	-	-	-	-	11.3
Community Colleges	-	-	-	-	-	14.7	-	14.7
Early Childhood Development	-	-	-	191.5	-	-	-	191.5
ADE	-	-	38.2	-	-	-	-	426.4
--Classroom Site Fund	-	-	-	-	-	285.4 [9/]	-	
--Non-Classroom Site Fund	-	-	-	-	-	102.8 [9/]	-	
AZ Game and Fish Department	-	-	6.4	-	-	-	-	6.4
Department of Gaming	-	-	9.9	-	-	-	-	9.9
DHS	-	4.1	-	-	-	-	21.7	25.8
School Facilities Board	-	-	-	-	-	65.8 [8/]	-	65.8
Office of Tourism	-	-	6.4	-	-	-	-	6.4
Universities	-	-	-	-	-	56.8 [8/]	-	56.8
Total	11.3	4.1	88.4	191.5	108.2	525.5	112.1	$1,041.1

1/ In November 1998, Proposition 200 established 2 individual income tax credits for contributions to the Citizens Clean Election Fund, as well as revenue received from a new 10% surcharge on civil and criminal fines.

2/ In November 2006, Proposition 201 established the Smoke-Free Arizona Fund to receive revenue from a $0.02 per pack tobacco tax increase.

3/ In November 2002, Proposition 202 requires 8% of the state's share of gaming proceeds to be deposited in the Tourism Fund, 28% in the Trauma and Emergency Services Fund, 8% in the Arizona Wildlife Conservation Fund, and 56% in the Instructional Improvement Fund. In addition, the greater of $8 million or 9% of gaming proceeds are allocated to the Department of Gaming for administrative cost and 2% of proceeds is to be allocated for the prevention and treatment of gambling.

4/ In November 2006, Proposition 203 established the Early Childhood Development and Health Fund to receive revenue from $0.80 per pack tobacco tax, as well as various other increases on tobacco products. These monies are to be used for preschool, child care, parent and family education and support programs, and children's health programs.

5/ In November 2000, Proposition 204 increased the income eligibility limit for acute care Medicaid programs to 100% of the federal poverty level (FPL).

6/ In November 2000, Proposition 301 increased the state sales tax rate by 0.6% through June 30, 2021. Of these revenues, 3% of the monies remaining after the payment of School Facilities Board debt service are distributed to various education accounts.

7/ In November 2002, Proposition 303 established the Tobacco Products Tax Fund which distributes monies to the Health Research Account. This fund and its subaccounts receive revenue from a $0.60 per pack cigarette tax, along with various other taxes on tobacco products.

8/ Offsets General Fund costs.

9/ Does not include Proposition 301 $25 million income tax credit for sales tax paid.