

November 21, 2011
Initiative 11-0044

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

TAX ON CALIFORNIA OIL AND NATURAL GAS. REVENUES TO EDUCATION.

INITIATIVE STATUTE. Imposes 15 percent tax on value of oil and natural gas extracted in California to supplement education funding, for purposes of reducing class size, reducing tuition, restoring classes cut, providing instructional materials and hiring teachers and professors.

Allocates tax revenues as follows: 11 percent to University of California; 14 percent to California State University; 38 percent to community colleges; 37 percent to K-12. Prohibits reduction of existing education-funding levels based on these additional tax revenues. Prohibits passing tax through to consumers by way of higher fuel prices. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government:

Increased state revenues from a new oil and gas severance tax of around \$3 billion per year. These revenues would be allocated to education and would likely result in increased state funding of various education programs. (11-0044)