

Californians OK Proposition 2, on rainy day fund

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Nov 3,
2014

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Assemblyman John Pérez (D-Los Angeles) and Gov. Jerry Brown leave a legislative hearing in April after testifying in favor of the rainy-day fund ballot measure. (Rich Pedroncelli / Associated Press)

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#Prop2, which strengthens California's rainy day fund, passes #election2014

Proposition 2, to strengthen California's rainy day fund, has passed, AP reports.

A constitutional amendment with bipartisan support, the measure was placed on the ballot by the Legislature and Gov. Jerry Brown.

Under the measure, state officials will be required to put aside at least 1.5% of the general fund every year.

Half of the money will be placed in a "rainy day" account as a safeguard against economic downturns. Half will be used to pay debt and other long-term obligations, such as retirement benefits for public workers.

Money may be withdrawn only when the governor and the Legislature declare a fiscal emergency.

California has an existing reserve account, but it's mostly been left empty since its creation a decade ago. Until now, there have been no strict rules on depositing or withdrawing funds.

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