

# 2024 VIDEO VOTER GUIDE

TO CALIFORNIA'S BALLOT MEASURES



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# CALIFORNIA PROP 02

*Authorizes \$10 billion bond to fund the construction, renovation, and modernization of school facilities.*

## Purpose

Proposition 2 would authorize the state of California to sell \$10 billion in bonds to fund the expansion, renovation, and modernization of K-12 public schools and community college facilities.<sup>1</sup>

Research Assistant: Maya Maranto HMC '26

## Background

In 1998, the state of California established the School Facilities Program (SFP), which authorized public school districts and community colleges to submit projects for expanding or updating facilities to the state for partial funding.<sup>2</sup> Through grants based on enrollment at a school, the state would fund 50% of construction projections and 60% of modernization projects (which renovate buildings older than 25 years).

Throughout the past 20 years, voter-approved state bonds (\$31.8 billion) have financed nearly all of state funding for school facility projects. Funds available for school facilities have now nearly expired. As funding runs out, voters must authorize the selling of new bonds if they wish to continue state support for school facilities projects.

As referenced in Proposition 2's text, a report from the University of California at Berkeley estimates that about 10% of California's classrooms are older than 70 years, and another 30% are between 50 and 70 years, meaning that many school buildings are outdated and could be unsafe.<sup>3</sup> The California Legislature has found that students tend to earn lower test scores if their facilities are in worse conditions.

To renew state funding for school facilities, representatives introduced AB 247, the bill that became Proposition 2, in January 2023.<sup>4</sup> Earlier this year, AB 247 passed both the Assembly and the Senate and was approved by the Governor. If approved by voters in November, it will become law and immediately go into effect.

## Proposal

Proposition 2 would provide \$8.5 billion to K-12 school districts and \$1.5 billion to community colleges to expand, renovate, and modernize their facilities.<sup>5</sup>

To seek funding, school districts would have to submit a 5-year master facilities plan to the Department of General Services, including information such as the age of each building in the school district.

Schools would automatically be eligible for funding if they are replacing buildings more than 75 years old and they provide a cost-benefit analysis. The state would also fund construction and renovation based on health and safety factors, such as earthquake vulnerability, and would fund testing and remediation of lead levels in food preparation areas and in water fountains or faucets used for drinking.

Proposition 2 also includes several provisions to promote equity, since lower-income districts may struggle to raise enough money for the state to match. Currently, school districts that are unable to raise more than \$5 million can apply for additional state funding, known as "hardship funding." Proposition 2 would raise that bar to \$15 million. Hardship funding represented just 7% of total state funding for school facilities projects from 1998 - 2021, according to an analysis by the Public Policy Institute of California.<sup>6</sup>

Proposition 2 also increases the amount the state may match from 50% to 55% for construction projects and from 60% to 65% for modernization projects depending on equity factors,<sup>7</sup> such as school size, school wealth, percent of English language learning students, and percent of foster care students.

Some maintain that Proposition 2 is not equitable enough. The public interest law firm Public Advocates argues that the poorest districts should receive 95% of construction and renovation costs from the state, whereas the richest districts should receive only 5%.<sup>8</sup>

## Fiscal Impact

The Legislative Analyst's Office (LAO) estimates that it would cost the state about \$500 million per year for 35 years to repay the bond. This cost would amount to less than one-half of 1% of the state's General Fund budget. The LAO could not determine whether local costs would increase or decrease if the bond measure passes. Costs would increase in some districts if they sought local bonds to cover their share of the matching requirements. On the other hand, some districts might borrow less than they otherwise would have because of the availability of new state funds.

Figure 1. Uses of Proposed Bond Funds (Billions)

PUBLIC SCHOOL FACILITIES	\$8.5
Renovation of existing buildings	\$4.0
New construction (including buy land)	\$3.3
Facilities for career technical education programs	\$0.6
Charter schools	\$0.6
COMMUNITY COLLEGE FACILITIES	\$1.5
TOTAL	\$10.0

## SUPPORT FOR PROPOSITION 2

### Key Supporters

- Los Angeles Unified School District<sup>9</sup>
- Association of California School Administrators<sup>10</sup>
- California Teachers Association<sup>11</sup>
- California Chamber of Commerce<sup>12</sup>
- Construction associations, such as Coalition for Adequate School Housing (CASH)<sup>13</sup>
- California Labor Federation<sup>14</sup>
- California Federation of Teachers<sup>15</sup>

As of August 21, 2024, proponents of Proposition 2 raised \$1,785,150.<sup>16</sup>

### Arguments For Proposition 2

Supporters argue that Proposition 2 would:

- Replenish the nearly depleted state fund for school construction and renovation.<sup>17</sup>
- Help modernize outdated school facilities, enhancing the student learning environment.<sup>18</sup>
- Preserve local control by requiring local officials to approve all spending.<sup>19</sup>
- Add more support for equity in funding school facilities than previous laws have.<sup>20</sup>

## OPPOSITION TO PROPOSITION 2

### Key Opponents

- Assemblyman Bill Essayli (R)<sup>21</sup>
- Howard Jarvis Taxpayers Association<sup>22</sup>
- Public Advocates<sup>23</sup>
- California Association of Black School Educators<sup>24</sup>
- Some low-income districts, such as Lennox School District, Lynwood Unified School District, and South Whittier Unified School District<sup>25</sup>

As of August 21, 2024, opponents of Proposition 2 raised no funds.

### Arguments Against Proposition 2

Opponents argue that Proposition 2 would:

- Exacerbate California's existing debt, adding \$10 billion to the \$78 billion California already owes banks and investors, costing taxpayers in the future.<sup>26</sup>
- Unnecessarily increase spending, despite declining enrollment in school districts and community colleges.<sup>27</sup>
- Fail to improve student outcomes, allocating money to construction projects rather than classroom instruction.<sup>28</sup>
- Increase property taxes due to the local match requirements in order to receive funding.<sup>29</sup>
- Provide too much funding to wealthy school districts and not enough to poorer districts.<sup>30</sup>
- Violate the Equal Protection Clause of the California Constitution. Public Advocates has threatened to sue the state over Proposition 2, arguing that it violates the right to equal education access and that the state's current system for distributing funding for school facilities is a form of wealth-based discrimination.<sup>31</sup>

## A YES VOTE ON PROPOSITION 2

A **YES** vote for Proposition 2 would authorize the state to borrow \$10 billion to fund the expansion, renovation, and modernization of K-12 public schools and community college facilities. It would also provide a more generous state match than current law.

## A NO VOTE ON PROPOSITION 2

A **NO** vote for Prop. 2 would leave the state unable to borrow additional funds to provide grant money for facilities in school districts and community colleges.

## Endnotes

- 1 The text of the proposed measure is at California Secretary of State, Official Voter Information Guide, pp. 70-75, accessed August 26, 2024, <https://vig.cdn.sos.ca.gov/2024/general/pdf/complete-vig.pdf>. Further information is in the “Quick Reference Guide,” p. 5, and “Proposition 2: Authorizes Bonds for Public School and Community College Facilities, Legislative Statute,” pp. 14-19.
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- 3 “California AB247, 2023-2024, Regular Session,” LegiScan, accessed August 2, 2024, <https://legiscan.com/CA/text/AB247/id/3013684>.
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- 5 “Proposition 2,” Legislative Analyst’s Office, accessed August 14, 2024, <https://lao.ca.gov/BallotAnalysis/Proposition?number=2&year=2024>.
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- 10 “ACSA Endorsements,” Association of California School Administrators,” accessed August 14, 2024, <https://acsa.org/Advocacy/endorsements>.
- 11 California Secretary of State, *Official Voter Information Guide*, p. 18.
- 12 “California Proposition 2, Public Education Facilities Bond Measure (2024),” Ballotpedia, accessed August 26, 2024, [https://ballotpedia.org/California\\_Proposition\\_2\\_Public\\_Education\\_Facilities\\_Bond\\_Measure\\_\(2024\)](https://ballotpedia.org/California_Proposition_2_Public_Education_Facilities_Bond_Measure_(2024)).
- 13 Jenny Gold, “Your Guide to Proposition 2: Education Bond,” *Los Angeles Times*.
- 14 “California Proposition 2, Public Education Facilities Bond Measure (2024),” Ballotpedia, accessed August 14, 2024, [https://ballotpedia.org/California\\_Proposition\\_2\\_Public\\_Education\\_Facilities\\_Bond\\_Measure\\_\(2024\)](https://ballotpedia.org/California_Proposition_2_Public_Education_Facilities_Bond_Measure_(2024)).
- 15 “California Proposition 2,” Ballotpedia.
- 16 “Proposition 2: Education finance: school facilities: Kindergarten Through Grade 12 Schools and Local Community College Public Education Facilities Modernization, Repair, and Safety Bond Act of 2024,” California Secretary of State, accessed August 28, 2024, <https://www.sos.ca.gov/campaign-lobbying/cal-access-resources/measure-contributions/2024-ballot-measure-contribution-totals/proposition-2-ab-247-chapter-81-statutes-2024-muratsuchi-education-finance-school-facilities-kindergarten-through-grade-12-school>.
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- 18 Jenny Gold, “Your Guide to Proposition 2: Education Bond,” *Los Angeles Times*.
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# CALIFORNIA PROP 03

*Recognizes the constitutional right to marriage regardless of gender*

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## **Purpose**

This measure would remove language from the California Constitution specifying that marriage is only between a man and a woman and officially recognize a fundamental state constitutional right to marry regardless of spousal gender.<sup>1</sup>

**Research Assistant:** Katherine Lanzalotto '25

## **Background**

In March 2000, California voters passed Proposition 22, an initiative statute declaring that only marriage between a man and woman be recognized in California, and thereby banning same-sex marriage in the state.<sup>2</sup> In May 2008, however, the California Supreme Court struck down Proposition 22 on the grounds that it violated rights guaranteed by the California Constitution.<sup>3</sup> Opponents of same-sex marriage responded by qualifying Proposition 8 for the November ballot, which enshrined the ban on same-sex marriage in the state's Constitution. California voters passed Proposition 8 in November, 2008, with 52% of voters supporting the measure.

In 2010 a federal district court in California ruled that Proposition 8 violated the Due Process and Equal Protection Clauses of the Fourteenth Amendment of the U.S. Constitution. After the U.S. Court of Appeals for the Ninth Circuit and the U.S. Supreme Court allowed the district court opinion to stand, same-sex marriages began in California in June 2013.<sup>4</sup> In 2015, same-sex marriage became legal throughout the nation when the U.S. Supreme Court ruled in *Obergefell v. Hodges* that under the U.S. Constitution same-sex couples had a fundamental, constitutionally guaranteed right to marry.<sup>5</sup>

Despite the nationalization of the right of same-sex couples to marry since 2015, California's Constitution still defines marriage as between a man and a woman — though that language now has no legal force. In 2023, the California Legislature passed a marriage equality proposal, later designated as Proposition 3, by a vote of 67-0 (with 13 not voting) in the state Assembly and 31-0 (with 9 not voting) in the Senate. This amendment will become part of the California Constitution if a majority of voters support it this November.<sup>6</sup>

## **Proposal**

Proposition 3 would change California's Constitution by eliminating the unenforceable provision that "Only marriage between a man and a woman is valid or recognized in California" and declaring that "The right to marry is a fundamental right."<sup>7</sup>

## **Fiscal Impact**

According to the Legislative Analyst's Office, Proposition 3 would not change who can marry in California and would not affect governmental revenues or costs in the state.<sup>8</sup>

## SUPPORT FOR PROPOSITION 3

### Key Supporters<sup>9</sup>

- Governor Gavin Newsom<sup>10</sup>
- ACLU of Northern California<sup>11</sup>
- Equality California<sup>12</sup>
- Planned Parenthood<sup>13</sup>

The proponent's official website is <https://yesonprop3ca.com/>.

As of August 21, 2024, proponents had raised \$2,300,557.<sup>14</sup> The Federated Indians of Graton Rancheria donated \$1 million to the Yes on Proposition 3 campaign.<sup>15</sup>

### Arguments For Proposition 3

Supporters argue Proposition 3 would:

- Remove Proposition 8's "stain on our state's Constitution" by eliminating its definition of marriage to reflect current legal and public opinion on same-sex marriage.<sup>16</sup>
- Protect Californians' right to marry amidst increased concerns that the U.S. Supreme Court may overturn *Obergefell v. Hodges*, placing marriage equality in jeopardy.<sup>17</sup>

## OPPOSITION TO PROPOSITION 3

### Key Opponents

- California Family Council<sup>18</sup>
- Rev. Tanner DiBella, Founder, The American Council of Evangelicals

### Arguments Against Proposition 3

Opponents argue Proposition 34 would:<sup>19</sup>

- Eliminate safeguards for the institution of marriage
- Be redundant and unnecessary as "[c]urrent laws and court decisions already protect the right to marry, regardless of gender, sexual orientation, race, or ethnicity."<sup>20</sup>
- Supersede all current laws on marriage, thus opening the door to child marriages, incest, and polygamy.<sup>21</sup>

## A YES VOTE ON PROPOSITION 3

A **YES** vote on Proposition 3 would establish a fundamental right to marriage in California's Constitution and remove the Proposition 8 language which recognizes marriage as only between a man and a woman.

## A NO VOTE ON PROPOSITION 3

A **NO** vote on Proposition 3 would keep the currently inoperative language banning same-sex marriage in the California Constitution. It would have no effect on current law and court decisions legalizing same-sex marriage in California.

## Endnotes

- 1 The text of the proposed constitutional amendment is at California Secretary of State, Official Voter Information Guide, p. 75, accessed August 19, 2024, <https://vig.cdn.sos.ca.gov/2024/general/pdf/complete-vig.pdf>. Further information is in the “Quick Reference Guide,” p. 5, and “Proposition 3: Constitutional Right to Marry, Legislative Constitutional Amendment,” pp. 20-23.
- 2 “Proposition 22,” Legislative Analyst’s Office, accessed February 27, 2024, [https://lao.ca.gov/ballot/2000/22\\_03\\_2000.html](https://lao.ca.gov/ballot/2000/22_03_2000.html); “8 Eliminates Right of Same-Sex Couples to Marry,” UC Hastings Scholarship Repository, last modified 2008, accessed August 19, 2024, [https://repository.uclawsf.edu/cgi/viewcontent.cgi?article=2287&context=ca\\_ballot\\_proposals#:~:text=In%20March%202000%2C%20California%20voters.valid%20or%20recognized%20in%20California.](https://repository.uclawsf.edu/cgi/viewcontent.cgi?article=2287&context=ca_ballot_proposals#:~:text=In%20March%202000%2C%20California%20voters.valid%20or%20recognized%20in%20California.)
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- 5 “Obergefell v. Hodges,” Oyez, accessed February 27, 2024, <https://www.oyez.org/cases/2014/14-556>.
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- 11 “2023 Legislative Agenda,” ACLU California Action, last modified March 1, 2023, accessed August 19, 2024, <https://aclucalaction.org/2023/03/2023-legislative-agenda/>.
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- 14 “Proposition 3 - ACA 5 (Resolution Chapter 125, Statutes of 2023) Low. Marriage equality,” California Secretary of State, accessed September 1, 2024, <https://www.sos.ca.gov/campaign-lobbying/cal-access-resources/measure-contributions/2024-ballot-measure-contribution-totals/proposition-3-aca-5-resolution-chapter-125-statutes-2023-low-marriage-equality>.
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# CALIFORNIA PROP 04

## Funds natural resources and climate programs in California

### Purpose

The purpose of Proposition 4, the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024, is to authorize \$10 billion in bonds to finance various natural resources, environmental, and climate risk-reduction projects.<sup>1</sup>

Research Assistant: Katherine Lanzalotto '25

### Background

In recent years in California, environmental groups, advocates of renewable energy, and others have been pushing for more funding for the environment, natural resources, and efforts to mitigate the effects of climate change. These calls for more spending gained new force after Governor Gavin Newsom and the state legislature scaled back the “California Climate Commitment” from \$54.3 billion to \$44.6 billion.<sup>2</sup>

Sometimes the state pays for natural resources and climate activities directly out of its general funds. Other times it borrows the money by issuing general obligation bonds. In May of 2023, the state legislature passed SB 867, The Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024, sending the bond measure to the voters on the November 2024 general election ballot. The vote in the Assembly was 66-6 (with 7 not voting) and in the Senate 33-5 (with 2 not voting).<sup>3</sup>

### Proposal

Proposition 4 would allow the state to issue \$10 billion in bonds to fund programs related to natural resources and climate protection. The borrowed funds would go to state agencies or as grants and loans to local governments, Native American tribes, not-for-profit organizations, and businesses.

The funds would pay for activities in eight broad categories:<sup>4</sup>

Figure 1. Key Goals of Proposition 4 Bond Funds

CATEGORY	KEY GOALS	AMOUNT
Drought, Flood, and Water Supply	Increase the amount and quality of water available for people to use and reduce the risk of flooding.	\$3.8 Billion
Forest Health and Wildfire Prevention	Improve the health of forests and protect communities from wildfires.	\$1.5 Billion
Sea-Level Rise and Coastal Areas	Reduce the risks from sea-level rise, restore coastal areas, and protect fish.	\$1.2 Billion
Land Conservation and Habitat Restoration	Protect and restore natural areas.	\$1.2 Billion
Energy Infrastructure	Support the state's shift to more renewable sources of energy, such as offshore wind.	\$850 Million
Parks	Expand, renovate, and repair local and state parks.	\$700 Million
Extreme Heat	Reduce the effects of extreme heat on communities.	\$450 Million
Farms and Agriculture	Help farms respond to the effects of climate change and become more sustainable.	\$300 Million
<b>TOTAL</b>		<b>\$10.0 BILLION</b>

Notably, Proposition 4 would require that 40% of the bond funds be used to benefit lower-income communities or areas that are more vulnerable to the impacts of climate change. The proposition also would require regular public reporting of how the money is spent.<sup>5</sup>

### Fiscal Impact

According to the Legislative Analyst's Office, this bond would cost \$400 million per year for a 40-year period. The annual cost is equivalent to less than one-half of 1% of California's General Fund (which funds most public services). Moreover, this proposition would likely reduce local costs for climate and natural resource programs in the amount of tens of millions of dollars annually over the next few decades. Also, if the bond funds completed activities that reduced damage from disasters like floods or forest fires, it could result in additional savings, but the amount is uncertain.<sup>6</sup>

## SUPPORT FOR PROPOSITION 4

### Key Supporters<sup>7</sup>

- National Wildlife Federation
- Nature Conservancy
- CALFIRE Firefighters
- Clean Water Action
- California Labor Federation
- Environmental Defense Fund
- Natural Resources Defense Council

As of September 3, 2024, supporters of Proposition 4 had contributed \$624,000.<sup>8</sup>

### Arguments For Proposition 4

Supporters argue that Proposition 4 would:<sup>9</sup>

- Reduce future costs from a changing climate and more frequent natural disasters as threats from wildfires, water pollution, and extreme heat continue to grow in California.
- Clean up and protect the state's water supplies, especially for the one million Californians who currently lack access to safe and reliable water.
- Help to prevent wildfires and reduce their intensity when they do occur, thereby improving public health, especially for children and seniors, and the quality of life in the state.
- Make "efficient, sensible investments in proven solutions: upgrading drinking water treatment to remove contaminants, fixing crumbling dams and levees to prevent floods, creating groundwater storage and recycling plants to boost supply and prepare for drought, and investing in effective wildfire prevention and containment strategies."

## OPPOSITION TO PROPOSITION 4

### Key Opponents<sup>10</sup>

- Senate Minority Leader Brian W. Jones (R)
- Assemblyman Jim Patterson (R)
- Howard Jarvis Taxpayers Association

### Arguments Against Proposition 4

Opponents argue that Proposition 4 would:<sup>11</sup>

- Cause Californians to pay for this bill for decades to come, which is an unfair burden on taxpayers.
- Eventually cost taxpayers \$19.3 billion to pay off. Since 2000, the state's voters have approved over \$30 billion in bonds to fund natural resources programs — "with little to show."
- Use bonds, the most expensive way to pay for government programs that should only be used for infrastructure projects that will outlive the life of the bond, for projects that may not outlive the life of the bond.
- Add new debt that will take decades to pay back to fund vital programs that should be funded through the state's normal budget process.

## A YES VOTE ON PROPOSITION 4

A **YES** on Proposition 4 will result in the state issuing \$10 billion in bonds to fund water projects, wildfire prevention, programs to reduce the risk from sea level rise, renewable energy, and state and local parks, among other projects.

## A NO VOTE ON PROPOSITION 4

A **NO** vote on Proposition 4 would prevent the state from issuing \$10 billion in general obligation bonds for these purposes.

## Endnotes

- 1 The text of the proposed measure is at California Secretary of State, *Official Voter Information Guide*, pp. 75-94, accessed August 21, 2024, <https://vig.cdn.sos.ca.gov/2024/general/pdf/complete-vig.pdf>. Further information is in the "Quick Reference Guide," p. 6, and "Proposition 4: Authorizes Bonds for Safe Drinking Water, Wildfire Prevention, and Protecting Communities and Natural Lands from Climate Risks, Legislative Statute," pp. 24-29.
- 2 "Prop 4: Borrow \$10 billion to respond to climate change," *CalMatters*, 2024 Voter Guide, accessed August 21, 2024, <https://calmatters.org/california-voter-guide-2024/propositions/prop-4-climate-bond/>.
- 3 "California Proposition 4, Parks, Environment, Energy, and Water Bond Measure (2024)," Ballotpedia, accessed August 21, 2024, [https://ballotpedia.org/California\\_Proposition\\_4\\_Parks\\_Environment\\_Energy\\_and\\_Water\\_Bond\\_Measure\\_\(2024\)](https://ballotpedia.org/California_Proposition_4_Parks_Environment_Energy_and_Water_Bond_Measure_(2024)).
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- 6 California Secretary of State, *Official Voter Information Guide*, p. 27.
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- 8 California Secretary of State, Cal-Access, Advanced Search: Contributions, Proposition 4, Support, 2023-2024, accessed September 3, 2024, <https://powersearch.sos.ca.gov/advanced.php>.
- 9 California Secretary of State, *Official Voter Information Guide*, pp. 28, 29.
- 10 California Secretary of State, *Official Voter Information Guide*, p. 29.
- 11 California Secretary of State, *Official Voter Information Guide*, pp. 28, 29.

# CALIFORNIA PROP 05

*Amends the California Constitution to lower the voting threshold for local governments to borrow money for affordable housing and public infrastructure*

## **Purpose**

Proposition 5 would amend California's Constitution to lower the voting threshold from two-thirds to 55% for local governments to sell bonds to raise money for affordable housing and public infrastructure, such as roads, water projects, and fire protection.<sup>1</sup>

Research Assistant: Maya Maranto HMC '26

## **Background**

According to the Legislative Analyst's Office (LAO), California housing generally costs about double the national average, and renters pay 50% more for housing than in other states.<sup>2</sup> Moreover, according to a 2023 report from the U.S. Department of Housing and Urban Development, California has one third (34%) of the nation's homeless population.<sup>3</sup> To fund both affordable housing programs and public infrastructure, local governments often borrow money by selling bonds financed by property taxes, called general obligation bonds, which typically require approval by two-thirds of the voters. For example, this November, the voters in nine counties in the San Francisco Bay Area will vote on a \$20 billion affordable housing bond, the largest housing bond in the state's history.<sup>4</sup>

In 2000, voters approved Proposition 39, which lowered the voter approval threshold from two-thirds to 55% for school districts, community college districts, and county offices of education to sell bonds for the construction, rehabilitation, and equipping of school facilities.<sup>5</sup> From 2000 to 2013, voters approved about 80% of school bond projects, with their 55% voting threshold, but only about half of local bond measures that required a two-thirds vote.<sup>6</sup>

To enable local governments to more easily borrow money for housing projects, Assemblymember Cecilia Aguiar-Curry (D) proposed an amendment (ACA 1) to the California Constitution that would similarly lower the voting threshold from two-thirds to 55% for projects such as affordable housing and public infrastructure.<sup>7</sup> Additionally, it would include accountability measures to ensure that the bonds are used for their intended purpose, and it would likewise lower the voting threshold for imposing, extending, or increasing a type of tax called a special tax to fund programs including public housing and infrastructure.<sup>8</sup> Though ACA 1 passed the legislature in September 2023, legislators worried that ACA 1 would be too broad to win voter support.<sup>9</sup> Thus, in June 2024, they passed ACA 10, a proposed amendment that would remove the special tax threshold change from ACA 1 and modify ACA 1's definitions and accountability requirements.<sup>10</sup> Moreover, in July 2024, the legislature passed AB 2813, a law that would clarify certain definitions (such as "affordable housing") and add accountability requirements to ACA 1 and ACA 10 if they go into law.<sup>11</sup>

## **Proposal**

If supported by a majority of voters in the November 2024 election, Proposition 5 would amend the California Constitution to enable 55%, instead of two-thirds, of voters to authorize local governments (including city governments, county governments, and special districts) to sell general obligation bonds for affordable housing and public infrastructure. More specifically, this includes (but is not limited to) housing for those earning less than 150% of the countywide median income, permanent supportive housing (such as for the former homeless), and public infrastructure (such as utilities, natural disaster recovery projects, and public structures like parks).

Moreover, local governments would be required to implement accountability measures to ensure that the bond proceeds are used only for infrastructure and other allowed uses. Some accountability measures include requiring administrative costs to be less than 5% of bond proceeds, proof that the locality has considered multiple funding sources, a publicly available independent annual performance audit, and a trained oversight committee.<sup>12</sup>

If Prop. 5 passes, the new voting threshold would apply to measures in the November 2024 election.<sup>13</sup> This includes the proposed \$20-billion Bay Area bond.

## **Fiscal Impact**

According to the LAO, if Prop. 5 passes and thus reduces the voting threshold, more local bonds to fund affordable housing and public infrastructure would also likely pass. In recent local elections, for example, 20-50% more local bond measures would have passed under the 55% requirement. Moreover, with a new lower threshold, local governments might propose more measures.

Because it is unclear how many new local bond measures would pass under Prop. 5, the LAO estimates that the increase in spending for affordable housing and public infrastructure "could be at least a couple billion dollars over many years." Paying off the new bonds would require higher property taxes.<sup>14</sup>

## SUPPORT FOR PROPOSITION 5

### Key Supporters<sup>15</sup>

- Democratic Party of California
- League of Women Voters of California
- League of California Cities
- California Labor Federation
- California State Association of Counties
- Assembly Majority Leader Cecilia Aguiar-Curry<sup>16</sup>

As of September 3, 2024, supporters raised \$5,000,000, solely contributed by Facebook founder Mark Zuckerberg and his wife Priscilla Chan.<sup>17</sup>

### Arguments For Proposition 5

Supporters argue that Proposition 5 would:<sup>18</sup>

- Give “local voters more control over funding for affordable housing and vital infrastructure projects including roads, bridges, local fire protection and water systems.”
- Make local governments less reliant on state and federal funds.
- Help the housing crisis by enabling local governments to provide more affordable housing.
- Make it easier for local governments to fund critical public infrastructure, including emergency preparedness, such as fire stations and emergency equipment.
- Trust local voters to decide what is most important.
- Increase accountability, transparency, and oversight in the expenditure of public funds.

## OPPOSITION TO PROPOSITION 5

### Key Opponents<sup>19</sup>

- Republican Party of California
- Howard Jarvis Taxpayers Association
- California Association of Realtors
- National Association of Realtors
- California Chamber of Commerce

As of September 3, 2024, opponents raised \$30,182,005. Of this, the California Association of Realtors donated \$22 million and the National Association of Realtors contributed \$5 million.<sup>20</sup>

### Arguments Against Proposition 5

Opponents argue that Proposition 5 would:<sup>21</sup>

- Increase both local debt and property taxes by lowering the two-thirds threshold to approve most bonds, which has been in place since 1879.
- Saddle future generations with even more debt. California is already the most indebted state in the nation with state and local debt over \$500 billion.
- Increase the burden on local taxpayers while fiscal mismanagement and wasteful spending turned a \$100 billion surplus into a \$73 billion deficit.
- Disproportionately penalize property owners, since they may make up a minority of voters.<sup>22</sup>

## A YES VOTE ON PROPOSITION 5

A **YES** vote on Proposition 5 would amend California's Constitution to lower the voting threshold from two-thirds to 55% for local governments to sell general obligation bonds to fund projects involving affordable housing and public infrastructure.

## A NO VOTE ON PROPOSITION 5

A **NO** vote on Proposition 5 would maintain current California law, meaning that most local governments would require two-thirds approval from voters to borrow money by selling general obligation bonds.

## Endnotes

- 1 The text of the proposed constitutional amendment is at California Secretary of State, *Official Voter Information Guide*, pp. 94-97, accessed August 25, 2024, <https://vig.cdn.sos.ca.gov/2024/general/pdf/complete-vig.pdf>. Further information is in the "Quick Reference Guide," p. 6, and "Proposition 5: Allows Local Bonds for Affordable Housing and Public Infrastructure with 55% Voter Approval, Legislative Constitutional Amendment," pp. 30-33.
- 2 California Secretary of State, *Official Voter Information Guide*, p. 30.
- 3 U.S. Department of Housing and Urban Development, *The 2023 Annual Homelessness Assessment Report (AHAR) to Congress*, <https://www.huduser.gov/portal/sites/default/files/pdf/2023-ahar-part-1.Pdf>.
- 4 Christopher, Ben. "Bay Area Will Decide California's Biggest Housing Bond Ever." *CalMatters*, June 27, 2024, sec. Housing. <http://calmatters.org/housing/2024/06/california-housing-bond-bahfa-billion/>.
- 5 "Proposition 39" (2000), Legislative Analyst's Office, accessed August 25, 2024, [https://lao.ca.gov/ballot/2000/39\\_11\\_2000.html](https://lao.ca.gov/ballot/2000/39_11_2000.html). See also "ACA 1: Local Government Financing: Affordable Housing and Public Infrastructure: Voter Approval. | Digital Democracy," accessed August 15, 2024, [https://digitaldemocracy.calmatters.org/bills/ca\\_202320240aca1](https://digitaldemocracy.calmatters.org/bills/ca_202320240aca1).
- 6 "ACA 1 – 55% Vote Threshold for Local Affordable Housing and Public Infrastructure," Assemblymember Cecilia Aguiar-Curry, 4th Assembly District, accessed September 3, 2024, [https://a04.asmdc.org/sites/a04.asmdc.org/files/2023-08/2023.08.16%20-%20ACA%201%20%28Aguiar-Curry%29%20Fact%20Sheet\\_0%282%29%283%29.pdf](https://a04.asmdc.org/sites/a04.asmdc.org/files/2023-08/2023.08.16%20-%20ACA%201%20%28Aguiar-Curry%29%20Fact%20Sheet_0%282%29%283%29.pdf).
- 7 "Build 2024 | Official Website - Assemblymember Cecilia Aguiar-Curry Representing the 04th California Assembly District," accessed August 16, 2024, <https://a04.asmdc.org/build2024>.
- 8 "ACA 1: Local Government Financing: Affordable Housing and Public Infrastructure: Voter Approval," Digital Democracy, *CalMatters*, accessed August 16, 2024, [https://digitaldemocracy.calmatters.org/bills/ca\\_202320240aca1](https://digitaldemocracy.calmatters.org/bills/ca_202320240aca1).
- 9 Dillon, Liam, "Your Guide to Proposition 5: Making It Easier to Pass Local Housing, Road Bonds," *Los Angeles Times*, July 5, 2024, <https://www.latimes.com/california/story/2024-07-05/2024-california-election-proposition-5-affordable-housing-bonds-roads-voter-guide>.
- 10 "ACA 10- CHAPTERED." Accessed August 15, 2024. [https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\\_id=202320240ACA10](https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240ACA10).
- 11 LegiScan. "California AB2813, 2023-2024, Regular Session," accessed August 16, 2024, <https://legiscan.com/CA/text/AB2813/id/3014758>.
- 12 California Secretary of State, *Official Voter Information Guide*, pp. 6, 30-33, 94-97.
- 13 California Secretary of State, *Official Voter Information Guide*, p. 96.
- 14 California Secretary of State, *Official Voter Information Guide*, p. 31.
- 15 California Secretary of State, *Official Voter Information Guide*, pp. 32, 33; "California Proposition 5, Lower Supermajority Requirement to 55% for Local Bond Measures to Fund Housing and Public Infrastructure Amendment (2024)," Ballotpedia, accessed August 26, 2024, [https://ballotpedia.org/California\\_Proposition\\_5\\_Lower\\_Supermajority\\_Requirement\\_to\\_55%25\\_for\\_Local\\_Bond\\_Measures\\_to\\_Fund\\_Housing\\_and\\_Public\\_Infrastructure\\_Amendment\\_\(2024\)](https://ballotpedia.org/California_Proposition_5_Lower_Supermajority_Requirement_to_55%25_for_Local_Bond_Measures_to_Fund_Housing_and_Public_Infrastructure_Amendment_(2024)).
- 16 "Build 2024, Official Website - Assemblymember Cecilia Aguiar-Curry Representing the 04th California Assembly District," accessed August 15, 2024, <https://a04.asmdc.org/build2024>.
- 17 California Secretary of State, Cal-Access, Advanced Search: Contributions, Proposition 5, Support, 2023-2024, accessed August 26, 2024, <https://powersearch.sos.ca.gov/advanced.php>.
- 18 California Secretary of State, *Official Voter Information Guide*, p. 32.
- 19 California Secretary of State, *Official Voter Information Guide*, p. 32, 33; "California Proposition 5," Ballotpedia.
- 20 California Secretary of State, Cal-Access, Advanced Search: Contributions, Proposition 5, Oppose, 2023-2024, accessed September 3, 2024, <https://powersearch.sos.ca.gov/advanced.php>.
- 21 California Secretary of State, *Official Voter Information Guide*, pp. 32, 33.
- 22 Christopher, Ben, "California Proposition 5: Lower Voting Threshold," *CalMatters*, accessed August 26, 2024, <http://calmatters.org/california-voter-guide-2024/propositions/prop-5-vote-threshold/>.

# CALIFORNIA PROP 06

*Prohibits the forced labor of persons incarcerated in California's prisons and county jails.*

## **Purpose**

The purpose of Proposition 6 is to amend the California Constitution to end involuntary servitude as a punishment for those convicted of crimes and serving time in state prison or county jail.<sup>1</sup>

Research Assistants: Katherine Jackson '25, Ryan Lenney '25

## **Background**

The 13th Amendment of the United States Constitution, which was ratified in December of 1865, abolished slavery and involuntary servitude in the United States, except "as a punishment for crime whereof the party shall have been duly convicted."<sup>2</sup> Similarly, Article I, Section 6, of the California Constitution prohibits slavery but allows involuntary servitude to punish crime.<sup>3</sup> According to the California Department of Corrections and Rehabilitation 2024-2025 budget, some prisoners are assigned to jobs related to operating prisons (maintaining facilities, clerical support, groundskeeping, etc) or producing goods and services for state agencies (making traffic signs, license plates, etc).<sup>4</sup> Although the state minimum wage is currently \$16.00 an hour (and higher for some jobs),<sup>5</sup> prison "[j]obs typically pay between \$0.08 and \$1.00 per hour depending on various factors, such as the amount of skill required."<sup>6</sup>

Assemblywoman Lori D. Wilson authored ACA 8, which became Proposition 6. On June 27, 2024, the State Assembly passed proposed amendment by a vote of 68 - 0 (with 11 not voting), and the State Senate passed it by a vote of 33 - 3 (with 4 not voting), sending the proposal to the November ballot.<sup>7</sup>

California voters are not the first to consider amending their state constitution to ban involuntary servitude (forced labor) for incarcerated persons. Colorado voters prohibited the forced labor of inmates in 2018. Nebraska and Utah followed suit in 2020, as did voters in Alabama, Oregon, Tennessee, and Vermont in 2022.<sup>8</sup> In November of 2024, Nevada's electorate will vote on a ballot measure similar to Proposition 6.<sup>9</sup>

## **Proposal**

Proposition 6 would amend Section 6 of Article I of California's Constitution to outlaw slavery in all aspects, including involuntary servitude (forced labor) as a punishment for crime. If passed, it would prohibit the Department of Corrections and Rehabilitation from disciplining any incarcerated person for refusing a work assignment. It would still allow the Department to issue voluntary work assignments, and to award credits to prisoners who choose to participate.<sup>10</sup>

## **Fiscal Impact**

According to the Legislative Analyst's Office (LAO), the fiscal impact of Proposition 6 is uncertain because it is unclear how inmates of prisons and jails would respond to the resulting rule changes. To encourage inmates to work, prisons and jails may have to pay them more, thereby increasing costs. If, instead, prisons and jails offered more time credits for work, inmates who accepted them would serve less time, reducing costs. The LAO estimates that cost increases or savings would not exceed tens of millions of dollars – about one-half of 1% of the state's General Fund budget.<sup>11</sup>

## SUPPORT FOR PROPOSITION 6

### Key Supporters

- Assemblywoman Lori D. Wilson (D)<sup>12</sup>
- California Democratic Party<sup>13</sup>
- ACLU California Action<sup>14</sup>
- California Labor Federation<sup>15</sup>
- Abolish Slavery National Network<sup>16</sup>

As of August 21, 2024, supporters of Proposition 6 raised \$62,823.<sup>17</sup>

### Arguments For Proposition 6

Supporters of Proposition 6 argue that it would:

- Protect the dignity and rights of prison and jail inmates by prohibiting forced labor.<sup>18</sup>
- End a practice that disproportionately impacts Black citizens and perpetuates the enslavement and exploitation of Black people in America.<sup>19</sup>
- Promote the reintegration of prisoners back into society by placing the focus on voluntary work and rehabilitation.<sup>20</sup>

## OPPOSITION TO PROPOSITION 6

### Key Opponents

The California Secretary of State lists no opponents to Proposition 6.<sup>21</sup> Only three members of the state legislature voted against ending the forced labor of state inmates:

- California Senator Brian Dahle (R)
- California Senator Roger Niello (R)
- California Senator Kelly Seyarto (R)<sup>22</sup>

As of August 27, 2024, no contributions had been made in opposition to Proposition 6.<sup>23</sup>

### Arguments Against Proposition 6

No individuals or groups have submitted to the California Secretary of State arguments in opposition to Proposition 6.

## A YES VOTE ON PROPOSITION 6

A **YES** vote on Proposition 6 will amend California's Constitution to outlaw slavery, including involuntary servitude (forced labor) as a legal punishment for California prisoners.

## A NO VOTE ON PROPOSITION 6

A **NO** vote on Proposition 6 will not amend California's Constitution, keeping involuntary servitude (forced labor) as a legal punishment for California prisoners.

## Endnotes

- 1 The text of the constitutional amendment is at California Secretary of State, *Official Voter Information Guide*, p. 97, accessed August 27, 2024, <https://vig.cdn.sos.ca.gov/2024/general/pdf/complete-vig.pdf>. Further information is in the "Quick Reference Guide," p. 7, and "Eliminates Constitutional Provision Allowing Involuntary Servitude for Incarcerated Persons, Legislative Constitutional Amendment," pp. 34-37.
- 2 "Thirteenth Amendment," Constitution Annotated, accessed August 27, 2024, <https://constitution.congress.gov/constitution/amendment-13/>.
- 3 California Constitution, Article I, Section 6, [https://leginfo.legislature.ca.gov/faces/codes\\_displayText.xhtml?lawCode=CONS&division=&title=&part=&chapter=&article=I](https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=CONS&division=&title=&part=&chapter=&article=I)
- 4 "The 2024-25 Budget: California Department of Corrections and Rehabilitation," Legislative Analyst's Office, February 2024, <https://lao.ca.gov/reports/2024/4852/CDCR-022224.pdf>.
- 5 "Minimum Wage," State of California Department of Industrial Relations, updated July 2024, [https://www.dir.ca.gov/dlse/minimum\\_wage.htm](https://www.dir.ca.gov/dlse/minimum_wage.htm).
- 6 "The 2024-25 Budget: California Department of Corrections and Rehabilitation," Legislative Analyst's Office, February 2024, <https://lao.ca.gov/reports/2024/4852/CDCR-022224.pdf>.
- 7 ACA-8 Slavery, Votes, California Legislative Information, accessed August 27, 2024, [https://leginfo.legislature.ca.gov/faces/billVotesClient.xhtml?bill\\_id=202320240ACA8](https://leginfo.legislature.ca.gov/faces/billVotesClient.xhtml?bill_id=202320240ACA8).
- 8 Gabe Stern, "Slavery, involuntary servitude rejected by 4 states' voters," AP News, November 10, 2022, <https://apnews.com/article/united-states-government-nevada-language-slavery-constitutions-09504d83f139ce3f9f8b57ace7624b75>.
- 9 Shaanth Nanguneri, "Californians will decide – in 2024 – whether to ban slavery. What will the measure do?" CalMatters, Updated July 10, 2024, <https://calmatters.org/politics/2024/06/anti-slavery-amendment/>.
- 10 California Secretary of State, *Official Voter Information Guide*, p. 34.
- 11 California Secretary of State, *Official Voter Information Guide*, p. 35.
- 12 California Secretary of State, *Official Voter Information Guide*, p. 36.
- 13 "Prop 6: Limit Forced Labor in State Prisons," 2024 Voter Guide, CalMatters, accessed August 27, 2024, <https://calmatters.org/california-voter-guide-2024/propositions/prop-6-involuntary-servitude/#h-for>.
- 14 "Prop 6: Limit Forced Labor," CalMatters.
- 15 "Prop 6: Limit Forced Labor," CalMatters.
- 16 "California Proposition 6, Remove Involuntary Servitude as Punishment for Crime Amendment (2024)," Ballotpedia, accessed August 27, 2024, [https://ballotpedia.org/California\\_Proposition\\_6\\_Remove\\_Involuntary\\_Servitude\\_as\\_Punishment\\_for\\_Crime\\_Amendment\\_\(2024\)](https://ballotpedia.org/California_Proposition_6_Remove_Involuntary_Servitude_as_Punishment_for_Crime_Amendment_(2024)).
- 17 "Proposition 6 - ACA 8 (Resolution Chapter 133, Statutes of 2024) Wilson. Slavery," California Secretary of State, accessed August 28, 2024, <https://www.sos.ca.gov/campaign-lobbying/cal-access-resources/measure-contributions/2024-ballot-measure-contribution-totals/proposition-6-aca-8-resolution-chapter-133-statutes-2024-wilson-slavery>.
- 18 Edgar Guerra, "End Slavery in California Act (ACA 8) Passes Senate Public Safety Committee, Moves to Senate Elections Committee," Lori D. Wilson Assemblywoman District 11, June 11, 2024, <https://a11.asmdc.org/press-releases/20240611-end-slavery-california-act-aca-8-passes-senate-public-safety-committee>.
- 19 "End Slavery in California (ACA 8)," ACLU California Action, Accessed Aug 1, 2024, <https://aclucalaction.org/bill/aca-8/>.
- 20 "Subject: Slavery," California Senate Committee of Public Safety, February 17, 2023, <https://spsf.senate.ca.gov/system/files/2024-06/aca-8-analysis.pdf>. See also the Secretary of State's summary of the arguments for Proposition 6 in California Secretary of State, *Official Voter Information Guide*, p. 36.
- 21 California Secretary of State, *Official Voter Information Guide*, p. 37.
- 22 ACA-8 Slavery, Votes, California Legislative Information.
- 23 "Proposition 6 - ACA 8. Slavery," California Secretary of State.

# CALIFORNIA PROP 32

*Increases California's minimum wage to \$18 per hour and then adjusts it annually for inflation.*

## **Purpose**

The Living Wage Act of 2022 (Proposition 32) aims to increase California's minimum wage to \$18 per hour by 2025 for businesses with 26 or more employees, and by 2026 for businesses with 25 or fewer employees. Starting in 2027, California's minimum wage would adjust to match increases in the cost of living in California, as measured by the United States Consumer Price Index for Urban Earners and Clerical Workers (U.S. CPI-W).<sup>1</sup>

**Research Assistant:** Katherine Jackson '25

## **Background**

California is currently ranked second highest for cost of living in the United States.<sup>2</sup> According to the Public Policy Institute of California, in 2023, 31.1% of Californians were in or nearly in poverty.<sup>3</sup> This fact has led many to propose raising the state's minimum wage.

California first implemented a state minimum wage in 1916, fifteen years before the federal government enacted a nationwide minimum wage. Throughout most of this period, California's minimum wage was comparable to the federal minimum wage.<sup>4</sup> In recent years, however, the California minimum wage increased sharply, reaching \$15 per hour for all companies in the state in 2023.<sup>5</sup> California's minimum wage is now just over twice the current federal minimum wage of \$7.25.<sup>6</sup> Under current law, California's minimum wage will increase annually from \$15 dollars per hour based on the United States Consumer Price Index for Urban Wage Earners and Clerical Workers (U.S. CPI-W). Proposition 32 would continue this annual increase based on a minimum wage of \$18 per hour in 2025 for businesses with 26 or more employees and in 2026 for businesses with 25 or fewer employees.<sup>7</sup>

## **Proposal**

Proposition 32 would increase the minimum wage to \$18 an hour in 2025 for businesses with 26 or more employees and in 2026 for businesses with 25 or fewer employees. From this base wage of \$18 an hour, minimum wage would be adjusted annually based on the U.S. CPI-W.<sup>8</sup>

## **Fiscal Impact**

According to California's Legislative Analyst's Office (LAO), the fiscal effects of Proposition 32 will depend on the economic effects. Minimum wage employees in the state would see their wages increase, and it is likely that employees who currently make slightly more than the minimum wage would also see an increase. This would increase costs for many businesses, potentially resulting in higher prices to consumers or lower profits.

The measure would result in higher costs to the state and local governments to pay their workers. On the other hand, higher incomes may reduce enrollment in California's health and human services programs, thereby reducing state and local government costs. Combining these two effects, state and local government costs could go up or down; but this would not likely exceed the high hundreds of millions of dollars each year (compared to current state and local government spending of over \$500 billion).

Finally, the LAO projects that income and sales tax revenues would likely decrease under Proposition 32 because businesses would experience lower incomes. This revenue loss would likely be no greater than a few hundred million dollars each year (compared to current revenues from these sources of about \$200 billion annually).<sup>9</sup>

## SUPPORT FOR PROPOSITION 32

### Key Supporters

- Joe Sanberg, Entrepreneur and co-founder of Aspiration Inc.<sup>10</sup>
- One Fair Wage<sup>11</sup>
- California Democratic Party<sup>12</sup>

The official campaign website for support of Proposition 32 can be found here: <https://actionnetwork.org/groups/yes-on-the-california-living-wage-act>.

As of September 3, 2024, supporters of Proposition 32 raised \$11,472,683.<sup>13</sup> More than \$10,000,000 was contributed by entrepreneur Joe Sanberg (\$10,884,815.21).<sup>14</sup>

### Arguments For Proposition 32

Supporters argue that Proposition 32 would:

- Reflect the true cost of living in California as the cost of living in the state, and America as a whole, continues to increase.<sup>15</sup>
- Give a much needed raise to 2 million workers.<sup>16</sup>
- Help alleviate labor shortages.
- Lead to more consumer spending, helping the economy.<sup>17</sup>

## OPPOSITION TO PROPOSITION 32

### Key Opponents

- California Restaurant Association<sup>18</sup>
- California Chamber of Commerce
- California Grocers Association
- National Federation of Independent Business<sup>19</sup>
- California Republican Party<sup>20</sup>

As of August 27, 2024, the official opposition website for Proposition 32 was <https://stopprop32.com/>, but it was not yet active.

As of September 3, 2024, opponents of Proposition 32 raised \$65,000.<sup>21</sup>

### Arguments Against Proposition 32

Opponents argue that Proposition 32 would:

- Increase financial stress on small businesses, who may need to downsize because of increased costs of employment.<sup>22</sup>
- Limit opportunities for potential workers in industries that are adversely affected by a high minimum wage.<sup>23</sup>
- Result in higher prices for consumers.<sup>24</sup>
- Decrease employees' hours and benefits.<sup>25</sup>
- Force employers to lay off workers, just as fast food employees have been losing jobs after the minimum wage increase to \$20 in 2024.<sup>26</sup>
- Allow the voice of one multi-millionaire, who wrote Proposition 32 and spent millions to get it on the ballot, to dictate labor policy for 39 million Californians.<sup>27</sup>

## A YES VOTE ON PROPOSITION 32

A **YES** vote on Proposition 32 would raise California's minimum wage to \$18 per hour for employees by 2026 and adjust it annually thereafter to match the increase in the cost of living in California.

## A NO VOTE ON PROPOSITION 32

A **NO** vote on Proposition 32 would continue California's \$15 minimum wage, adjusted annually to match the increase in the cost of living in California.

## Endnotes

- 1 The text of this measure is at California Secretary of State, *Official Voter Information Guide*, p. 97-100, accessed August 27, 2024, <https://vig.cdn.sos.ca.gov/2024/general/pdf/complete-vig.pdf>. Further information is in the "Quick Reference Guide," p. 7, and "Proposition 32: Raises Minimum Wage, Initiative Statute," pp. 38-41.
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- 4 "History of California Minimum Wage," State of California Department of Industrial Relations, accessed May 30, 2024, <https://www.dir.ca.gov/iwc/minimumwagehistory>, and "History of Federal Minimum Wage Rates Under the Fair Labor Standards Act, 1938 - 2009," U.S. Department of Labor, accessed May 30, 2024, <https://www.dol.gov/agencies/whd/minimum-wage/history/chart>.
- 5 California Labor Code, Section 1182.12, accessed May 30, 2024, [https://leginfo.ca.gov/faces/codes\\_displaySection.xhtml?sectionNum=1182.12.&lawCode=LAB](https://leginfo.ca.gov/faces/codes_displaySection.xhtml?sectionNum=1182.12.&lawCode=LAB).
- 6 U.S. Department of Labor, "Minimum Wage," <https://www.dol.gov/general/topic/wages/minimumwage>, accessed August 8, 2024.
- 7 California Secretary of State, *Official Voter Information Guide*, pp. 38, 98.
- 8 California Secretary of State, *Official Voter Information Guide*, pp. 38, 98.
- 9 California Secretary of State, *Official Voter Information Guide*, p. 39.
- 10 California Secretary of State, *Official Voter Information Guide*, p. 40.
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# CALIFORNIA PROP 33

## *Prohibits the state from limiting local rent control*

### **Purpose**

Proposition 33, called the “Justice for Renters Act,” would remove state restrictions on local rent control and allow cities and counties to limit rent on housing.<sup>1</sup>

Research Assistant: Kahani Malhotra '27

### **Background**

California has experienced a decades-long housing shortage. This shortage has increased the cost of buying a home and resulted in 44% of Californians renting their housing, compared to 35% in the United States as a whole. Only New York state has a higher renter rate at 46%.<sup>2</sup> Moreover, a large number of California renters are severely cost burdened, meaning that more than 50% of their income goes to pay for rent and utilities. Rent control policies seek to make housing more affordable by placing a cap on the amount landlords can charge for rent.<sup>3</sup> By the late-twentieth century, local rent control laws had become common across California.<sup>4</sup> Landlords, however, opposed these ordinances.<sup>5</sup> They argued that rent control interfered with their ability to make a fair return on their investment. Groups such as the California Apartment Association (CAA) and the California Realtors Association (CRA), which represent landlord and real estate interests, sought to make rent control a matter of the state, not local, policy.<sup>6</sup>

The California Legislature took action in 1995 by adopting the Costa-Hawkins Rental Housing Act, which overturned existing rent control ordinances by limiting the ability of local governments to enact new rent control policies.<sup>7</sup> Specifically, the legislation exempts from local rent control single-family homes, condominiums, and units built after February 1, 1995.<sup>8</sup> Additionally, it permits “vacancy decontrol” of rent-controlled units, meaning landlords can reset rent prices to market levels after their tenants move out.<sup>9</sup>

In response to the growing housing affordability crisis, Proposition 10 — dubbed the Affordable Housing Act — appeared on the state ballot in November 2018, calling for the repeal of Costa-Hawkins.<sup>10</sup> More than \$100 million was spent by both sides in the fight over Prop. 10, with three-quarters of the amount expended by the measure’s opponents. California voters rejected the proposition by 19 percentage points.<sup>11</sup>

In 2020, the same sponsors of Prop. 10 revived the cause and put Proposition 21 — the Rental Affordability Act — on the November ballot. Contributions reached just under \$100 million, with a majority of the amount contributed by the opposition.<sup>12</sup> That measure failed by 20 percentage points.<sup>13</sup>

In May 2023, the group Housing Is A Human Right and its parent organization, AIDS Healthcare Foundation, delivered more than 800,000 signatures to the California Secretary of State in a third attempt to repeal Costa-Hawkins.

### **Proposal**

Proposition 33 would repeal the Costa-Hawkins Rental Housing Act, allowing cities and counties to limit rent on all units, including the rent charged to first-time tenants after a unit becomes vacant. The Proposition reads: “The state may not limit the right of any city, county, or city and county to maintain, enact or expand residential rent control.”<sup>14</sup>

### **Fiscal Impact**

According to the Legislative Analyst’s Office (LAO), Proposition 33 would likely lead to the expansion of rent control in California. This could result in fewer homes being available to rent, since landlords might sell them to new owners rather than rent them. Moreover, rental property would likely become less valuable, potentially causing an annual loss of tens of millions of dollars in state and local revenues due to a decrease in property taxes paid by landlords. This would amount to less than one-half of 1% of all property tax revenue in the state. Also, if rent control expanded, there would be increased costs for local governments to administer the laws.<sup>15</sup>

## SUPPORT FOR PROPOSITION 33

### Key Supporters:

- Justice for Renters (sponsored by AIDS Healthcare Foundation)<sup>16</sup>
- Housing is a Human Right (sponsored by the AIDS Healthcare Foundation)<sup>17</sup>
- Veterans' Voices<sup>18</sup>
- California Alliance for Retired Americans<sup>19</sup>
- California Nurses Association<sup>20</sup>

The official campaign website for support of Prop. 33 is here: <https://yeson33.org/>.

As of September 3, 2024, supporters of Proposition 33 had contributed \$24,413,944. More than \$23 million was contributed by the Aids Healthcare Foundation.<sup>21</sup>

### Arguments For Proposition 33

Supporters argue that Proposition 33 would:

- Provide much needed housing relief to many Californians who pay too much to rent their homes, causing many to be rent burdened and forcing some into homelessness.<sup>22</sup>
- Serve as a sensible solution to California's housing crisis until more affordable housing is built.<sup>23</sup>
- Eliminate the financial incentive to evict tenants, because the Costa-Hawkins Act allows landlords to reset rent to market rates when a rental property becomes vacant.<sup>24</sup>
- Stabilize rental rates. Rental rates already are incredibly high in California and continue to climb.<sup>25</sup>
- Allow every city to decide for itself whether rent control is necessary.

## OPPOSITION TO PROPOSITION 33

### Key Opponents:

- California Small Business Association<sup>26</sup>
- California Hispanic Chambers of Commerce<sup>27</sup>
- California Apartment Association<sup>28</sup>
- California Business Roundtable<sup>29</sup>
- California Council for Affordable Housing<sup>30</sup>
- California Association of Realtors<sup>31</sup>

The official campaign website for opposition to Proposition 33 is here: <https://noonprop33.com/>.

As of August 30, 2024, opponents to Prop. 33 had raised \$45,458,367.<sup>32</sup> Of this, the California Association of Realtors donated over \$27 million and the California Apartment Association over \$11 million.<sup>33</sup>

### Arguments Against Proposition 33

Opponents argue that Proposition 33 would:

- Worsen the state's housing crisis by reducing the construction of new affordable housing.<sup>34</sup>
- Not increase affordable housing, nor provide immediate relief for the homeless.<sup>35</sup>
- Increase gentrification and negatively impact surrounding neighborhoods in the long run.<sup>36</sup>
- Encourage cities and counties to impose strict rent control and abolish the state's ban on vacancy control, leading to property deterioration and stifled investment.<sup>37</sup>
- Allow bureaucrats and politicians to tell homeowners how much they can charge to rent out a single room.<sup>38</sup>

## A YES VOTE ON PROPOSITION 33

A **YES** vote on Proposition 33 will repeal the Costa-Hawkins Act and allow municipalities to establish more rent control ordinances on properties without restrictions from the state.

## A NO VOTE ON PROPOSITION 33

A **NO** vote on Proposition 33 would leave the Costa-Hawkins Act in place, allowing the state to continue restricting local rent control policies.

## Endnotes

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# CALIFORNIA PROP 34

*Makes Medi-Cal Rx a permanent part of California law and requires certain healthcare providers that participate in the federal discount drug program to spend at least 98% of their net revenues on direct patient care.*

## **Purpose**

Proposition 34 seeks to add Medi-Cal RX to California law and requires that certain entities that participate in the federal discount drug program spend at least 98% of their net revenues on direct patient care.<sup>1</sup>

Research Assistant: Katherine Jackson '25

## **Background**

Section 340B of the federal Public Health Service Act<sup>2</sup> decrees that drug manufacturers that participate in the Medicaid program must reduce the costs of prescription drugs for Medicaid participants.<sup>3</sup> (California's Medicaid program is known as Medi-Cal.) As a consequence of this federal law, several discount prescription programs have been established in the United States, including in California.

In 2019, California Governor Gavin Newsom issued Executive Order N-01-19, which changed the Department of Health Care Services' Medi-Cal pharmacy from a managed care delivery system to a fee-for-service system operated by Magellan Medicaid Administration, called Medi-Cal RX. The transition to Medi-Cal RX was made to allow the Medi-Cal pharmacy to have one comprehensive delivery system throughout the state, provide increased access to pharmacy services, allow for better utilization management protocols of prescriptions across California, and allow California to more effectively broker suitable rebates with drug manufacturers.<sup>4</sup>

Under the current federal drug discount program, drug makers provide discounts on drugs they sell to hospitals, clinics, and other providers. "Eligible providers" are defined as "public or private nonprofits that focus on serving low-income people."<sup>5</sup> These non-profit providers can then make money by charging private health plans and government programs more for the drugs than the non-profit paid for them. There is no requirement that the non-profit spend its extra revenue from discounted drugs on direct patient care. Instead, the organization can spend the money at its discretion.<sup>6</sup>

## **Proposal**

Proposition 34 would make Medi-Cal RX a permanent part of California law. Also, it would require certain healthcare providers, defined as "prescription drug price manipulators," to spend at least 98% of the net revenues they receive in California from the federal discount drug program on direct patient care.

The proposition defines "prescription drug price manipulators" as healthcare providers that:

- 1** Have spent more than \$100 million on purposes other than direct patient care,
- 2** Are licensed as a health insurance plan, clinic, and/or pharmacy,
- 3** And own and operate multifamily housing units that have had at least 500 serious health and safety violations.

Apparently, the only provider that meets these conditions in California is the AIDS Healthcare Foundation.<sup>7</sup>

## **Fiscal Impact**

The Legislative Analyst's Office (LAO) estimates the initial cost of implementing Proposition 34 to be in the millions of dollars annually; however, the state could recover these expenses by fees charged to the affected entity(ies). If affected entities spent more money on direct patient care, this could save the state expenses associated with Medi-Cal patients. But if affected entities ceased to participate in the federal discount drug program, state costs could increase.<sup>8</sup>

## SUPPORT FOR PROPOSITION 34

### Key Supporters

- California Apartment Association<sup>9</sup>
- Evan Low, California State Assemblymember (D)<sup>10</sup>
- ADAP Advocacy Association<sup>11</sup>
- California Chronic Care Coalition<sup>12</sup>
- California Democratic Party<sup>13</sup>
- California Republican Party<sup>14</sup>
- The ALS Association<sup>15</sup>
- California Professional Firefighters<sup>16</sup>
- California Senior Alliance<sup>17</sup>
- An expanded list of Proposition 34 supporters can be found on the official campaign website: <https://www.protectpatientsnow.com/>.

As of August 21, 2024, supporters of Proposition 34 raised \$18,538,625. 98% of the funds came from one contributor, the California Apartment Association.<sup>18</sup>

### Arguments For Proposition 34

Supporters argue Proposition 34 would:

- “[C]ut the cost of prescription drugs for Medi-Cal patients by permanently authorizing the State of California to negotiate lower Medi-Cal prescription drug costs.”<sup>19</sup>
- Improve patient outcomes by requiring healthcare corporations to spend nearly all of their profits from the federal drug discount program on direct patient care.
- Save taxpayers millions of dollars by ending the diversion of revenue from patient care to other expenses.
- Rein in healthcare corporations which have “wast[ed] money on renting out football stadiums to put on private concerts, giving their executives multimillion dollar salaries, paying for naming rights on sports stadiums, spending millions on lobbying and dumping millions more into political campaigns.”<sup>20</sup>

## OPPOSITION TO PROPOSITION 34

### Key Opponents

- AIDS Healthcare Foundation<sup>21</sup>
- Consumer Watchdog<sup>22</sup>
- Housing is a Human Right<sup>23</sup>
- Coalition for Economic Survival<sup>24</sup>

As of August 21, 2024, opponents of Proposition 34 raised \$532,136.<sup>25</sup>

### Arguments Against Proposition 34

Opponents argue Proposition 34 would:

- “Weaponize the initiative process by allowing powerful interests to target a single organization to punish and shut them up.” Opponents argue Proposition 34 is a revenge initiative, primarily funded by landlords, directed against the AIDS Healthcare Foundation (AHF) in retaliation for its support of rent control in California, particularly its support for Proposition 33.<sup>26</sup>
- Violate the equal protection clauses of the U.S. and California Constitutions. It is also a prohibited Bill of Attainder because it singles out a specific entity – the AIDS Healthcare Foundation – for punishment.<sup>27</sup>

## A YES VOTE ON PROPOSITION 34

A **YES** vote on Proposition 34 will establish Medi-Cal RX into California law and require that the AIDS Healthcare Foundation spend at least 98% of its net revenues from the federal discount drug program on direct patient care.

## A NO VOTE ON PROPOSITION 34

A **NO** vote on Proposition 34 will continue the current Medi-Cal RX program, though not as part of state law, and will not dictate how certain health care providers spend their profits from the federal discount price program.

## Endnotes

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# CALIFORNIA PROP 35

## Protect Access to Healthcare Act

### Purpose

Proposition 35 seeks to extend and make permanent California's Managed Care Organization tax — a Medi-Cal funding source set to expire on January 1, 2027. The initiative allocates this tax revenue to various Medi-Cal investment funds, improving and expanding access to Medi-Cal services by preventing tax revenue from being redirected to other parts of the state budget.

The funds established by Proposition 35 aim to raise reimbursement rates for health care providers that treat Medi-Cal patients, grow and retain the healthcare workforce, improve the quality of clinics, and expand access to primary and specialty services like family planning, reproductive care, dental care, and behavioral health care.<sup>1</sup>

Research Assistant: Dhriti Jagadish '27

### Background

Medi-Cal, California's Medicaid program, provides health coverage to about 15 million low-income Californians (38% of the state's population) and offers a comprehensive range of services including doctor appointments, hospital stays, prescription drugs, and more.

In January 2024, California expanded its program to cover all undocumented immigrants, adding more than 700,000 individuals to the program.<sup>2</sup>

The costs for Medi-Cal are shared between the federal and state governments. The bulk of the state costs are paid for by California's General Fund, with \$35 billion allocated for Medi-Cal in 2024. An additional source of revenue for the state is a tax levied on Managed Care Organizations (MCOs) which provide medical services in the Medi-Cal program for a set monthly fee.

The state's largest MCOs include Kaiser Permanente, Anthem Blue Cross, and Blue Shield of California. The MCO tax began in 2009 and was most recently renewed in 2023. It will expire at the end of 2026 unless the state government reapproves it (and the federal government concurs). Currently, the MCO tax generates about \$7-8 billion each year.<sup>3</sup>

In September 2023, the Coalition to Protect Access to Care proposed a ballot initiative to make the MCO tax permanent and require its allocation for specific Medi-Cal investments only.

According to the Coalition, the new permanent tax would<sup>4</sup>:

- 1 "Increase reimbursement rates for Medi-Cal providers, some of which have not been increased in decades;"
- 2 "Create a pipeline of new health care providers, including physicians, nurses, dentists, physician assistants, and medical assistants;"
- 3 "Reduc[e] costly emergency room visits and decreas[e] wait times for everyone;"
- 4 "Keep hospitals, clinics, and doctors' offices open;"
- 5 "Expand access to care;"
- 6 "[H]elp California manufacture its own insulin and other prescription drugs at significantly lower prices."

The Coalition received enough signatures by April 2024 to qualify for the November ballot.

Earlier this summer, several MCO amendments were included in the 2024 May Revision to the 2024-2025 budget and are expected to add \$9.7 billion in MCO tax funds over the next few years.<sup>5</sup> However, the most significant change—what some consider to be backtracking by Governor Gavin Newsom—is a new clause stating that the \$6.7 billion earmarked to increase provider reimbursement rates will instead be used to offset other state spending.<sup>6</sup>

## Proposal

Proposition 35 seeks to maintain the state's current MCO tax to establish the Protect Access to Healthcare Fund ("Fund") to be a permanent source of money for various Medi-Cal initiatives. Most importantly, with the creation of this special trust fund, MCO tax revenue cannot be used for unrelated purposes, such as being siphoned off to other parts of the Medi-Cal General Fund or used as a tool to balance the state budget. Furthermore, Proposition 35 has an explicit "non-supplantation" clause, which states that money in the Fund cannot replace Medi-Cal revenue sources already in effect; the Fund can only be used to improve Medi-Cal benefits/services "above and beyond" what is already in effect.

The proposal emphasizes that the continued MCO tax will not burden taxpayers or employers and will be implemented in a manner consistent with federal Medicaid requirements. To ensure the act's effectiveness and accountability, Proposition 35 includes provisions for creating a stakeholder advisory committee, establishing independent financial audits, tasking the Department of Health Care Services (DHCS) to seek federal approvals and secure maximum federal financial participation, and granting the DHCS authority to modify payment provisions to meet federal requirements.

The proposal creates an Improving Access to Healthcare Subfund which sustains four key priorities of Proposition 35. They include:

- Raising reimbursement rates—to reflect current program costs and inflation after a 20-year stagnancy—in order to incentivize providers to treat Medi-Cal patients.
- Attracting and retaining talent to expand the healthcare workforce by offering loan repayment programs, increase residency placements, and provide other incentives.
- Improving and expanding Medi-Cal patient care by enhancing access to family planning, reproductive health, emergency medical transportation, mental health services, and affordable prescription drugs among others.
- Improving and expanding Medi-Cal patient care by incentivizing clinics to provide higher quality primary and emergency services and investing in public, not-for-profit, and rural hospitals.

## Fiscal Impact

The Legislative Analyst's Office (LAO) estimates that in 2025 and 2026, Proposition 35 would result in an increase in annual state expenditures of \$1-2 billion. This is between one-half of 1% and 1% of the state's total General Fund budget.<sup>7</sup>

For the years 2027 and beyond, the LAO cannot predict Proposition 35's fiscal effects, particularly its impact on state revenue. It notes that whether or not Proposition 35 passes this November, lawmakers might still extend the MCO tax's current expiration date, increase the amount of the tax, or change the rules of its allocation.

## SUPPORT FOR PROPOSITION 35

### Key Supporters<sup>8</sup>

- California Medical Association
- California Dental Association
- California Hospital Association
- International Association of EMTs and Paramedics
- America's Physicians Groups
- American Academy of Pediatrics, California
- Planned Parenthood, California
- California Democratic Party
- California Republican Party

The proponents' official website is <https://voteyes35.com/>.

As of September 3, 2024, supporters of Proposition 35 had raised \$48,448,483.<sup>9</sup>

### Supporting Arguments<sup>10</sup>

Supporters argue Proposition 35 would:

- Expand access to healthcare by ensuring that the funds raised from the tax on California's Managed Care Organizations will not be redirected to non-healthcare purposes.
- Improve quality of care by dedicating funds for reducing wait times in emergency rooms, hiring more paramedics and other first-responders, improving community health centers, supporting specialists in areas like cancer and cardiology, promoting family planning, and expanding mental health treatment.
- Raise reimbursement rates for providers, incentivizing them to treat Medi-Cal patients.<sup>11</sup>
- Improve and expand healthcare without raising taxes on individuals.

## OPPOSITION TO PROPOSITION 35

### Key Opponents

- No groups have formally opposed or raised funds against Proposition 35.<sup>12</sup>
- However, Governor Newsom has publicly stated his reservations without formally opposing the measure: "This initiative hampers our ability to have the kind of flexibility that's required at the moment we're living in. I haven't come out publicly against it. But I'm implying a point of view. Perhaps you can read between those many, many lines."<sup>13</sup>

## A YES VOTE ON PROPOSITION 35

A **YES** vote on Proposition 35 would make permanent an existing tax on Managed Care Organizations, due to expire at the end of 2026, to fund Medi-Cal services, benefits, and coverage.

## A NO VOTE ON PROPOSITION 35

A **NO** vote on Proposition 35 would maintain the existing tax on Managed Care Organizations, including its current expiration date of December 31, 2026, but would not prevent the California Legislature from extending the tax if approved by the federal government.

## Endnotes

- 1 The text of the proposed measure is at California Secretary of State, *Official Voter Information Guide*, pp. 109-126, accessed August 22, 2024, <https://vig.cdn.sos.ca.gov/2024/general/pdf/complete-vig.pdf>. Further information is in the "Quick Reference Guide," p. 9, and "Proposition 35: Provides Permanent Funding for Medi-Cal Health Care Services, Initiative Statute," pp. 52-57.
- 2 Kekatos, Mary, "California Becomes First State to Offer Health Insurance to All Undocumented Immigrants," *ABC News*, December 29, 2023. <https://abc-news.go.com/Health/california-1st-state-offer-health-insurance-undocumented-immigrants/story?id=105986377>.
- 3 California Secretary of State, *Official Voter Information Guide*, pp. 52-53.
- 4 The Coalition to Protect Access to Care, "Protect Access to Care Initiative Officially Eligible for November Ballot," Vote Yes on Proposition 35, June 5, 2024. <https://voteyes35.com/2024/06/05/protect-access-to-care-initiative-officially-eligible-for-november-ballot/>.
- 5 California State Budget May Revision 2024-2025, Department of Finance, May 2024. <https://ebudget.ca.gov/2024-25/pdf/Revised/BudgetSummary/FullBudgetSummary.pdf>.
- 6 Hwang, Kristen, "What you need to know on the California budget deal," *CalMatters*, July 1, 2024. <https://calmatters.org/health/2024/07/medi-cal-mco-tax-initiative/>.
- 7 California Secretary of State, *Official Voter Information Guide*, pp. 54-55.
- 8 "Our Coalition," Yes on Prop 35, accessed September 3, 2024, <https://voteyes35.com/our-coalition/>. See also California Secretary of State, *Official Voter Information Guide*, p. 56.
- 9 California Secretary of State, "Cal-Access," Advanced Search: Contributions, Proposition 35, Support, 2023-2024, accessed September 3, 2024, <https://powersearch.sos.ca.gov/advanced.php>.
- 10 California Secretary of State, *Official Voter Information Guide* Guide, p. 56.
- 11 California Secretary of State, *Official Voter Information Guide*, Proposition 35, Proposed Law, Statement of Purpose, p. 110.
- 12 California Secretary of State, *Official Voter Information Guide*, p. 57.
- 13 Lynn La, "Newsom sounds off on CA ballot measures on crime, health insurance," *CalMatters*, July 11, 2024, <https://calmatters.org/newsletter/newsom-ballot-measures>.

# CALIFORNIA PROP 36

*Amends Proposition 47 (approved in 2014) to allow for felony charges and increased penalties for certain thefts and drug crimes.*

## Purpose

Proposition 36 seeks to address the perceived consequences of Proposition 47 — including increased rates of theft, drug addiction and overdosing, and homelessness in California — by increasing accountability and punishment for certain theft and drug crimes.<sup>1</sup>

Research Assistant: Sam Yao '27

## Background

In November 2014, California voters approved Proposition 47, which made most drug possession crimes misdemeanors rather than felonies, and reduced punishment for many thefts by stipulating that they could only be charged as felonies if the amount stolen had a value of more than \$950 (otherwise, the theft would be a misdemeanor). Defenders of Proposition 47 maintained that the measure saves the state many millions of dollars annually in prison costs.<sup>2</sup>

Opponents of Proposition 47 insist that its reduction in penalties for thefts and drug possession dramatically increased shoplifting, drug use, and homelessness throughout the state. As the *New York Times* reported in July of 2024, “Californians of all political stripes have become fed up with the problems plaguing supermarkets and retail stores, not to mention car break-ins and open-air drug use. Some top Democrats, including Mayor London Breed of San Francisco, have joined conservatives in denouncing a cascade of smaller crimes that have contributed to a sense of lawlessness in major cities.”<sup>3</sup> A coalition of law enforcement groups and several of the state’s major retailers — including Target, Home Depot, and Walmart — wrote Proposition 36 and secured over 900,000 signatures to place it on the November ballot.<sup>4</sup>

Governor Gavin Newsom and his allies initially tried to qualify for the ballot an alternative, less far-reaching proposition, but they eventually abandoned their efforts. In August, 2024, the Democratically controlled state legislature passed a bill to address the increase in shoplifting by, among other provisions, increasing penalties for those who repeatedly steal from retail stores.<sup>5</sup>

## Proposal

This initiative would revise the reduced penalties established by Proposition 47 in a variety of ways.

- 1 It stipulates that a theft of up to \$950 would be considered a felony if the perpetrator has two or more prior convictions for theft crimes such as shoplifting, burglary, or carjacking.
- 2 It increases incarceration sentences by up to three years for theft or damage to property if the crime was committed by three or more people.
- 3 It increases the punishment for selling drugs such as fentanyl, heroin, cocaine, or methamphetamine, requiring that these sentences be served in state prison rather than county jail.
- 4 It mandates that in some cases those who possess illegal drugs, currently a misdemeanor under Proposition 47, be given a choice between mandated drug treatment (whereupon the charges would be dismissed if the offender completes the treatment) or a felony conviction and prison sentence of up to three years.
- 5 It requires courts to warn those convicted of selling or providing certain drugs that they could be charged with murder if they sell or provide illegal drugs that kill someone.<sup>6</sup>

## Fiscal Impact

According to the Legislative Analyst’s Office (LAO), the initiative would likely increase the state’s current prison population of approximately 90,000 by a few thousand individuals. This would increase state costs somewhere between several tens of millions of dollars per year to the low hundreds of millions of dollars per year. The LAO states that this is less than 0.5% of the state’s General Fund budget.

Similarly, Proposition 36 would likely increase the number of offenders in county jails or on community supervision by a few thousand, compared to the current population of about 250,000. Additionally, the costs for local prosecutors and public defenders may increase because felonies generally require more legal work than misdemeanors. Altogether, local criminal justice costs would likely increase by tens of millions of dollars each year.

The LAO also notes that, under the terms of Proposition 47, savings from the law would be applied to mental health and drug treatment, school truancy and dropout prevention, and victim services. If Proposition 36 reduced these savings, then less might be spent on these programs.

The LAO recognizes that Proposition 36 could reduce crime, resulting in savings for state and local governments; but it did not estimate the amount of potential savings.<sup>7</sup>

## SUPPORT FOR PROPOSITION 36

### Key Supporters

- Californians for Safer Communities<sup>8</sup>
- Target, Walmart, Home Depot
- California District Attorneys Association
- San Francisco Mayor London Breed
- San Jose Mayor Matt Mahan
- Republican Party of California
- California State Sheriffs' Association
- League of California Cities

The official campaign website is <https://voteyesprop36.com/>

As of August 21, 2024, proponents raised \$9,673,393. Walmart, Target, and Home Depot each contributed at least \$1 million.<sup>9</sup>

### Arguments For Proposition 36

Supporters argue that Proposition 36 would:

- Reduce smash-and-grab robberies and retail theft by holding repeat offenders accountable for their crimes, rather than putting them back on the streets.
- Hold those who traffic in fentanyl and other hard drugs accountable by granting judges greater discretion when sentencing drug traffickers.
- “[M]ake targeted but impactful changes to our laws around fentanyl and help us tackle the chronic retail theft that hurts our retailers, our workers, and our cities,” according to San Francisco Mayor London Breed.
- Not “take us back to the era of mass incarceration but allow[] judges to mandate treatment for those struggling with severe addiction, hold repeat offenders accountable, and treat fentanyl like the killer it is,” according to San Jose Mayor Matt Mahon.<sup>10</sup>

## OPPOSITION TO PROPOSITION 36

### Key Opponents<sup>11</sup>

- Assembly Speaker Robert Rivas (D)
- Democratic Party of California
- Action for Justice and Safety
- ACLU of Northern California
- Diana Becton, District Attorney, Contra Costa County
- Vera Institute of Justice
- Disability Rights of California

There website for the campaign against Proposition 36 is <https://www.stopprisonscam.org/>.

As of August 21, 2024, opponents raised \$577,000.<sup>12</sup>

### Arguments Against Proposition 36

Opponents argue that Proposition 36 would:<sup>13</sup>

- Reignite the war on drugs, wasting state resources.
- Prove unnecessary because lawmakers have already passed new laws to reduce retail theft.
- Substantially increase the number of persons incarcerated in the state’s prisons and jails, resulting in increased costs of hundreds of millions of dollars each year.
- Cut funding for mental health, drug treatment, and rehabilitation programs.
- Not make our communities safer.
- Disproportionately impact “Black and Latinx people, especially those with disabilities, [who then] ... end up in the criminal legal system, ” according to Eric Harris, Associate Executive Director of External Affairs for Disability Rights of California.

## A YES VOTE ON PROPOSITION 36

A **YES** vote on Proposition 36 will amend Proposition 47: to allow felony sentences and prison time for some of those convicted of repeated thefts; to allow up to three years of incarceration for some thefts committed by three or more people; to increase the punishment for selling drugs such as fentanyl, heroin, cocaine, or methamphetamine; to mandate drug treatment for some of those convicted of possessing illegal drugs; and to require courts to warn drug offenders that they could be charged with murder if the drugs they sell or provide kill someone.

## A NO VOTE ON PROPOSITION 36

A **NO** vote on Proposition 36 leaves Proposition 47 unchanged, thereby maintaining certain drug and theft crimes as misdemeanors.

## Endnotes

- 1 The text of the proposed measure is at California Secretary of State, *Official Voter Information Guide*, pp. 126-134, accessed August 22, 2024, <https://vig.cdn.sos.ca.gov/2024/general/pdf/complete-vig.pdf>. Further information is in the "Quick Reference Guide," p. 9, and "Proposition 36: Allows Felony Charges and Increases Sentences for Certain Drug and Theft Crimes, Initiative Statute," pp. 58-63.
- 2 California Secretary of State, *Official Voter Information Guide*, p. 61.
- 3 Tim Arango, "Frustrated Californians May Be Ready for a Tougher Approach to Crime," *The New York Times*, July 23, 2024, <https://www.nytimes.com/2024/07/23/us/california-crime-punishment-jail.html>.
- 4 "California Proposition 36, Drug and Theft Crime Penalties and Treatment-Mandated Felonies Initiative (2024)," Ballotpedia, accessed August 23, 2024, [https://ballotpedia.org/California\\_Proposition\\_36\\_Drug\\_and\\_Theft\\_Crime\\_Penalties\\_and\\_Treatment-Mandated\\_Felonies\\_Initiative\\_\(2024\)](https://ballotpedia.org/California_Proposition_36_Drug_and_Theft_Crime_Penalties_and_Treatment-Mandated_Felonies_Initiative_(2024)).
- 5 Stephen Hobbs, "California lawmakers pass bills targeting retail theft as November ballot measure looms," *The Sacramento Bee*, August 13, 2024, <https://www.sacbee.com/news/politics-government/capitol-alert/article290892494.html>.
- 6 California Secretary of State, *Official Voter Information Guide*, pp. 59-60.
- 7 California Secretary of State, *Official Voter Information Guide*, pp. 60-61.
- 8 "California Proposition 36, Drug and Theft Crime Penalties and Treatment-Mandated Felonies Initiative (2024)," Ballotpedia, accessed August 23, 2024, [https://ballotpedia.org/California\\_Proposition\\_36\\_Drug\\_and\\_Theft\\_Crime\\_Penalties\\_and\\_Treatment-Mandated\\_Felonies\\_Initiative\\_\(2024\)](https://ballotpedia.org/California_Proposition_36_Drug_and_Theft_Crime_Penalties_and_Treatment-Mandated_Felonies_Initiative_(2024)). For a detailed list of supporters, see "Our Coalition," Yes on 36, accessed August 23, 2024, <https://voteyesprop36.com/our-coalition/>.
- 9 California Secretary of State, Cal-Access, Advanced Search: Contributions, Proposition 36, Support, 2023-2024, accessed August 23, 2024, <https://powersearch.sos.ca.gov/advanced.php>.
- 10 California Secretary of State, *Official Voter Information Guide*, pp. 62, 63; "What Others Are Saying," Yes on 36, accessed August 23, 2024, [www.voteeyesprop36.com](http://www.voteeyesprop36.com).
- 11 "California Proposition 36, Drug and Theft Crime Penalties and Treatment-Mandated Felonies Initiative (2024)," Ballotpedia, [https://ballotpedia.org/California\\_Proposition\\_36\\_Drug\\_and\\_Theft\\_Crime\\_Penalties\\_and\\_Treatment-Mandated\\_Felonies\\_Initiative\\_\(2024\)](https://ballotpedia.org/California_Proposition_36_Drug_and_Theft_Crime_Penalties_and_Treatment-Mandated_Felonies_Initiative_(2024)), accessed August 17, 2024.
- 12 California Secretary of State, Cal-Access, Advanced Search: Contributions, Proposition 36, Oppose, 2023-2024, accessed August 23, 2024, <https://powersearch.sos.ca.gov/advanced.php>
- 13 "Press Release," August 5, 2024, Disability Rights California, <https://www.disabilityrightscalifornia.org/press-release/disability-rights-california-and-civil-rights-corps-oppose-proposition-36-and-any>.