



**YOUR VOTE.
YOUR VOICE.**

November 6, 2018
GENERAL ELECTION

LEAGUE OF WOMEN VOTERS® OF CALIFORNIA EDUCATION FUND
The League of Women Voters of San Diego

League of Women Voters

The League of Women Voters **does not** support or oppose candidates or political parties. It does:

Encourage informed and active **participation** in government

Work to increase **understanding** of major public policy issues

Influence public policy through **education** and advocacy.



What Are Propositions?

- Proposed laws presented to the public
 - Can make new laws
 - Change existing laws
 - Change California's Constitution
- Placed on ballot
 - Collection of enough voter signatures
 - State lawmakers
- 50 percent + 1 YES votes to pass



Evaluating Measures

Is it...

Too complex for a "yes" or "no" answer?
The solution to the problem?
Written well?
Paid for?

Does it...

Create new problems?
Restrict the state budget?
Belong in the Constitution?



Follow the Money*

Updated September 10, 2018

Evaluating Measures

Who is *really* supporting or opposing it?

Everything except the **California Legislative Analyst's Office** (LAO) statements are advertisements.

Initiatives can only be amended with another initiative.

Entire proposition text available on sos.ca.gov



State Propositions Pros & Cons

California
General Election
November 6, 2018



11 State Propositions

1. Affordable Housing Bonds
2. Mental Health Housing Bonds
3. Water Bonds
4. Children's Hospital Bonds
5. Property Tax Rules
6. Transportation Taxes and Fees
7. Daylight Saving Time
8. Kidney Dialysis Clinics
9. *Divide California into 3 States (removed by CA Supreme Court)*
10. Local Governments and Rent Control
11. Ambulance Employee Breaks
12. Farm Animal Cages



The Way Bonds Work

- General obligation bonds are sold to investors and repaid to the State's General Fund
- The State repays the principal and interest over approximately 35 or 40 years
- Principal and interest payments usually are about twice the principal amount



Prop 1

Authorizes Bonds to Fund Specified Housing Assistance Programs.
(*Legislative Statute*)



The Way It Is Now

- Average house in California costs 2.5 times the national average and average rent in California is about 50% higher than the national average
- About 100,000 houses and apartments are constructed each year
- The state provides assistance with grants or low-cost loans for low-income individuals
- California receives about \$2B/year from the federal government to support housing projects



What Prop 1 Would Do

- Permits the state to issue \$4B in new general obligation bonds for:
 - \$1.8B for building or renovating apartments
 - \$450M for infrastructure to support construction
 - \$450M for down payment assistance
 - \$300M for farmworker housing
 - \$1B for home loans to veterans
- 30,000 multi-family and 7,500 farmworker households
- Home loans to 3,000 veterans



Fiscal Impact

- \$3B in general obligation bonds:
 - \$5.9B over 35 year period
 - \$170M per year
- \$1B for veterans' assistance
 - Bonds used to fund home loans for veterans are repaid by the veterans through mortgage payments



Prop. 1 Supporters Say:

- Provides relief from the housing crisis by building and preserving affordable housing
- Honors veterans by helping them buy a home
- Will leverage Federal dollars for new homes

Supporters: Approx. \$2.3M contributions

- Affordable Housing Now
- Senator Jim Beall
- Congress of California Seniors
- ~~California Disabled American Veterans~~



Prop. 1 Opponents Say:

- Will help a very limited number of people
- California does not need more debt

Opponents: No contributions

- Gary Wesley



Prop. 1: Yes or No?

A Yes Vote Means:

- The state will sell \$4 billion in general obligation bonds to fund various affordable housing projects and veterans' home loans.

A No Vote Means:

- The state will NOT sell \$4.1 billion in general obligation bonds to fund various affordable housing projects and veterans' home loans.



Prop 2

Authorizes Bonds to Fund Existing Housing Program for Individuals with Mental Illness.
(Legislative Statute)



The Way It Is Now

- In 2004 Prop 63 Mental Health Services Act
 - Increased income tax on income over \$1M
 - Provides mental health care to those lacking private insurance
- In 2016 No Place Like Home Act
 - Passed by legislature
 - \$2B in bonds for housing for those eligible under Prop 63
 - Bonds to be paid by revenue from Prop 63
- No bonds were issued under NPLHA
- Need court decision that NPLHA is within the scope of Prop 63



What Prop 2 Would Do

- Approves NPLHA and approves issuing bonds
- Amends Prop 63 to allow use of unspent money to help house homeless people suffering from mental illness (the revenue for NPLHA).
- No more than \$140M/year can be used



Fiscal Impact

- No direct impact on the state budget
- Bonds paid by revenue from Prop 63



Prop. 2 Supporters Say:

- Helps alleviate the problem of homelessness complicated by mental illness
- Supportive housing allows coordinated care of individuals who need treatment and housing
- Uses funds already earmarked for mental health services

Supporters: Approx. \$2M contributions

- Mental Health America
- California Police Chiefs Association
- Affordable Housing Now



Prop. 2 Opponents Say:

- Spends money on buildings instead of treatment
- Counties already use Prop 63 for housing for severely mentally ill patients
- Restrictive zoning laws not addressed

Opponents: No contributions

- Charles Madison, President, National Alliance on Mental Illness (NAMI) Contra Costa



Prop. 2: Yes or No?

A **Yes** Vote Means:

- \$2B in bonds authorized by NPLHA will be issued
- Bonds will be repaid by taxes approved by Prop 63

A **No** Vote Means:

- Revenue from Prop 63 may not be used to pay off bonds from NPLHA



Prop 3

Authorizes Bonds to Fund Projects for Water Supply and Quality, Watershed, Fish,
Wildlife, Water Conveyance, and Groundwater Sustainability and Storage.
(Initiative Statute)



The Way It Is Now

- California's water supply faces challenges
- Various government agencies spend about \$30B annually
 - Over three-quarters spent locally by individual ratepayers for water and sewage treatment plants and cleanup of storm runoff
- Voters have approved \$31B in general obligation bonds for various natural resource projects, repaid over 40 years



What Prop 3 Would Do

- Authorizes \$8.9B in general obligation bonds
 - \$2.1B for water supply and quality
 - \$1.4B for fish and wildlife habitat
 - \$1.2B for water facility upgrades in Central Valley, Bay Area, and Oroville Dam
 - \$1.1B for groundwater recharge and storage projects
 - \$2.5B for watershed land improvements
- Most funds as grants to agencies that must provide matching funds
- Reduced cost-sharing for disadvantaged communities



Fiscal Impact

- \$17.3B repayment over 40 years
- \$430M per year
- Effect on local governments depends on size of grant received
- Annual net on local governments and ratepayers is likely to be small
- A project could increase future operating costs, such as for a new desalination facility



Prop. 3 Supporters Say:

- Will fund projects to help increase water supply
- Help ensure disadvantaged communities have access to safe drinking water
- Watershed restoration will improve water quality and protect agricultural interests

Supporters: Approx. \$3.4M in contributions

- Californians for Safe Drinking Water
- Agricultural and Dairy Community for Safe Drinking Water and a Reliable Water Supply
- American Pistachio Growers
- ~~California Waterfowl Association~~



Prop. 3 Opponents Say:

- No money for new dams
- Makes recreation and wildlife a priority over farmers
- Paying back bonds will result in raised taxes
- Shifts the cost of water from the end users to California taxpayers.
- Fails to provide for adequate project oversight.

Opponents: No contributions

- Central Solano Citizen/Taxpayer Group



Prop. 3: Yes or No?

A Yes Vote Means:

- The state will sell \$8.9 billion in bonds to fund projects related to water supply and quality, watershed and fisheries restoration, habitat protection, water conveyance and groundwater sustainability and storage

A No Vote Means:

- The state will NOT sell \$8.9 billion in bonds to fund projects related to water supply and quality, watershed and fisheries restoration, habitat protection, water conveyance and groundwater sustainability and storage



Prop 4

Authorizes Bonds Funding Construction at Hospitals Providing
Children's Health Care
(Initiative Statute)



The Way It Is Now

- 8 private nonprofit hospitals, 5 University of California children's hospitals, and more than 100 other nonprofit hospitals serve children with complex chronic health conditions eligible for the California Children's Services program
- Over half the patients receive Medi-Cal benefits
- A small amount of funding remains from previous bonds and is expected to be used by mid-2018



What Prop 4 Would Do

- Authorizes \$1.5 billion in general obligation bonds
- Revenue will be used to build new facilities, to improve and expand current facilities, and to purchase new equipment
- 72% of funds available to the 8 private nonprofit hospitals
- Remaining funds available to UC children's hospitals and nonprofit hospitals



Fiscal Impact

- \$2.9B over 35 years
- \$80M per year



Prop. 4 Supporters Say:

- Prop. 4 will help over 2 million sick children each year and leads to better health outcomes.
- Previous bonds have been used to add more beds and purchase new technology

Supporters: Approx. \$10.2M contributions

- California Children's Hospital Association



Prop. 4 Opponents Say:

- The bond would need to be repaid, potentially through higher taxes
- We should first look at improving the entire healthcare system including lowering costs.
- State funds should not be used for private facilities.

Opponents: No contributions

- Gary Wesley



Prop. 4: Yes or No?

A **Yes** Vote Means:

- The state will issue \$1.5 billion in general obligation bonds to expand and improve the buildings and equipment at children's hospitals

A **No** Vote Means:

- The state will NOT issue \$1.5 billion in general obligation bonds to expand and improve the buildings and equipment at children's hospitals



Prop 5

Changes Requirements for Certain Property Owners to Transfer Their
Property Tax Base to Replacement Property.
(Initiative Constitutional Amendment and Statute)



The Way It Is Now

- Exemptions from Prop 13 reassessment triggers are allowed for homeowners over the age of fifty-five, who have a severe disability, or whose homes were affected by a natural disaster
 - Transfer assessed value of prior home to a replacement residence of equal or lesser value
 - New home must be purchased within 2 years of selling prior home and be located within the same county or another that permits inter-county transfers
 - Exemption can be used only once



What Prop 5 Would Do

- Expand a homeowner's ability to transfer assessed value to a new home
 - Market value of the replacement home could be greater or lesser than the prior home
 - Transferred value would be increased if the new home is worth more, or decreased if it is worth less
 - The house could be anywhere in California and the homeowner is not limited to a single exemption
 - The new home still must be the owner's principal residence and be acquired within two years of the original home's sale



Prop 5 Examples

A senior's principal residence has a tax-assessed value of \$75,000. The house is sold for \$600,000.

- A new house is bought for \$500,000. The tax-assessed value of the new house would be $(\$75,000) \times [(\$500,000) \div (\$600,000)] = \$62,500$.
- A new house is bought for \$700,000. The tax-assessed value of the new house would be $(\$75,000) + [(\$700,000) - (\$600,000)] = \$175,000$.



Examples from Legislative Analyst's Office

Fiscal Impact

- Local governments
 - Net effect of reducing local revenue by about \$100M/year at first, growing to \$1B over time
 - Increased sales would generate property transfer taxes of tens of millions of dollars, while county administration costs would rise by same amount at first
- Schools
 - Annual reduction in revenue of about \$100M, growing to \$1B
 - Most losses would be offset by equivalent increases in state funding, thus increasing state spending by the same amounts



Prop. 5 Supporters Say:

- Older adults on fixed incomes and people with severe disabilities need this protection
- More houses will become available for younger families

Supporters: Approx. \$7M contributions

- CA Association of Realtors
- National Association of Realtors Fund
- CA Chamber of Commerce
- Californians for Disability Rights
- AMVETS of California



Prop. 5 Opponents Say:

- Essential local services and schools will be affected
- Loss of local revenue will become worse every year
- Seniors already receive Prop. 13 protection

Opponents: Approx. \$1.6M contributions

- SEIU California Political Committee
- CA Teachers Association
- Rep. David Chiu
- Middle Class Taxpayers Association



Prop. 5: Yes or No?

A Yes Vote Means:

- The California constitution will be amended to increase the ability of certain homeowners to obtain tax relief by transferring their Prop. 13-related tax base to a replacement property

A No Vote Means:

- No amendment to change current Prop 13 exemption



Prop 6

Eliminates Certain Road Repair and Transportation Funding. Requires Certain Fuel Taxes and Vehicle Fees be Approved by the Electorate.

(Initiative Constitutional Amendment)



The Way It Is Now

- SB1, Road Repair and Accountability Act, passed in 2017
 - \$6.6B in 2016-17
 - \$12.1B in 2018-19
 - \$5.1B in 2020-21
- Increase in fuel excise tax of 12 cents for gasoline and 20 cents for diesel, and 4% increase in diesel state sales tax
- Transportation fee added to cost of registering a vehicle, including a fee for electric cars in 2020
- Prop. 69, approved in June 2018, restricted the SB1 revenues to transportation purposes



What Prop 6 Would Do

- Repeal the fuel tax increases and vehicle fees enacted by SB 1
- Amend the State Constitution to require any future legislatively-imposed taxes on fuels and vehicles fee to take effect only if the voters of the state vote to approve it



Fiscal Impact

- Tax revenues would be reduced in 2018-19 from \$4.4B to \$2B
- Tax revenues would be reduced by \$5.1B annually going forward



Prop. 6 Supporters Say:

- Gas taxes and fees are too high
- One-third of the gas tax increase will be diverted to non-road related pet projects
- Tax increases that directly affect people's lives should be put before the voters

Supporters: Approx. \$2M contributions

- Carl DeMaio, former member of San Diego City Council
- California Republican Party
- National Federation of Independent Business
- List of electeds and candidates



Prop. 6 Opponents Say:

- 89% of counties have poor or at-risk roads
- Over 1600 bridges and overpasses are unsafe
- Reliable transportation infrastructure is critical
- Loss of funding will affect state highways, local streets and roads, and mass transit

Opponents: Approx. \$13M contributions

- California Alliance for Jobs
- California Chamber of Commerce
- Governor Jerry Brown
- California Democratic Party



Prop. 6: Yes or No?

A Yes Vote Means:

- Repeal fuel tax increases and vehicle taxes enacted in 2017 including SB1
- Require voter approval (via ballot propositions) for any new, increased, or extended fuel taxes and vehicle fees in the future

A No Vote Means:

- Keep the fuel tax increases and vehicle taxes enacted in 2017 including SB1
- Allow the state legislature to continue to impose, increase, or extend fuel taxes or vehicle fees with a two-thirds vote of each chamber and without voter approval



Prop 7

Conforms California Daylight Saving Time to
Federal Law. Allows Legislature to
Change Daylight Savings Time Period.
(*Legislative Statute*)



The Way It Is Now

- Part-year Daylight Saving Time was started during WWII to save energy
- California voters approved it in 1949
- Federal law requires states to have DST from early March to early November
- States are permitted to have standard time all year
- Hawaii and Arizona stay on standard time all year
- Congress and the President must approve



What Prop 7 Would Do

- Prop. 7 is both an advisory measure and a change in law
- Encourages the legislature to consider year-round DST
- Changes current law by requiring a two-thirds vote of the legislature to make changes
- If legislature did pass a bill, Congress and the President need to approve



Fiscal Impact

- No direct fiscal impact
- If the change is made, could be a minor fiscal impact that is unknown at this time



Prop. 7 Supporters Say:

- Medical studies show that the risk of heart attacks and strokes increases during the days following a time change
- Changing clocks twice a year increases our use of electricity by 4%, increases the amount of fuel used by cars and costs \$434 million

Supporters: No contributions

- Rep. Kensen Chu
- Rep. Lorena Gonzalez
- Sion Roy, cardiologist



Prop. 7 Opponents Say:

- The United States tried year-round Daylight Saving Time in 1974 because of the energy crisis. People hated getting up in the dark in the morning.
- There are no conclusive studies that having Daylight Saving Time year-round saves energy or money.
- No other states have it. It would be better to change to year-round standard time.

Opponents: No contributions

- Sen. Hannah-Beth Jackson
- Rep. Phillip Chen



Prop. 7: Yes or No?

A **Yes** Vote Means:

- Supports allowing California legislature to change to Daylight Saving Time year-round by a two-thirds vote if federal law authorizes it

A **No** Vote Means:

- Opposes allowing California legislature to change to Daylight Saving Time year-round by a two-thirds vote if federal law authorizes it



Prop 8

Regulates Amounts Outpatient Kidney Dialysis
Clinics Charge for Dialysis Treatment.
(Initiative Statute)



The Way It Is Now

- Approx. 588 licensed dialysis clinics operate in California
- Majority are owned by one of two private for-profit companies
- Estimated annual revenue is \$3B
- Most dialysis is paid for by Medicare and Medi-Cal at a fixed rate close to the average cost of treatment
- Private insurance also covers dialysis at negotiated rates that average multiple times higher than that paid by government programs



What Prop 8 Would Do

- Requires the companies that own clinics to rebate certain payers, mostly private insurance companies, if the company's corporate annual revenues are more than 15% higher than a cap defined in Prop 8
- The cap is based on the total allowable costs of "direct patient services care" and "health care quality improvement costs"



Fiscal Impact

- The impact on state and local governments varies from a net savings of tens of millions of dollars to a similar net cost
- Dependent upon the response of the clinics to it and on interpretations of what allowable costs are by the Department of Public Health and the courts



Prop. 8 Supporters Say:

- Provides incentive for dialysis clinic companies to lower their costs and improve patient care
- Overall cost of insurance will decrease for everyone if insurance companies are charged less

Supporters: Approx. \$17.4M contributions

- Californians for Kidney Dialysis Patient Protection
- SEIU-UHW West
- United Healthcare Workers West



Prop. 8 Opponents Say:

- Sets arbitrary limits on what insurance companies pay for dialysis treatment and will not cover the complete cost of running a clinic
- Clinics will reduce operations or close, depriving patients of access and increasing the risk of poor medical outcomes

Opponents: Approx. \$20M contributions

- DaVita
- Fresenius Medical Care North America
- US Renal Care, Inc.



Prop. 8: Yes or No?

A **Yes** Vote Means:

- Dialysis clinics will be required to rebate money to private insurers if their revenue exceeds a cap by more than 15%

A **No** Vote Means:

- No change to current practices



Prop 10

Expands Local Governments' Authority to Enact Rent
Control on Residential Property
(*Initiative Statute*)



The Way It Is Now

- Thirty years ago, 14 cities adopted rent control ordinances
- Costa Hawkins Rental Housing Act was adopted in 1995
 - Limited the ordinances to buildings first rented out prior to 1995
 - Landlords could raise rent to market rates if a tenant moved out
- Courts decided landlords must be allowed to raise rent enough to receive some profit each year
- California renters pay 50% more than the national average
- About 20% of Californians live in cities with rent control
- More cities are seeking to establish rent control



What Prop 10 Would Do

- Repeals the Costa Hawkins Rental Act
- Allows cities and counties to regulate rents on any housing property
- Does not change existing rent control laws
- Does not create rent control laws
- Retains landlords' right to a fair rate of return on their investment



Fiscal Impact

- Difficult to predict
- Likely that landlords will reduce the amount of rental housing offered, the value of rental housing will decrease, some renters will pay less, and landlords will have less income
- Impact on property, sales, and income tax
- State and local governments revenue will be reduced in the tens to hundreds million, more or less



Prop. 10 Supporters Say:

- The high cost of rent hurts seniors, families and anyone with a low or fixed income. This proposition will protect them.
- This proposition will allow local communities to decide whatever makes sense for their rental housing issues

Supporters: Approx. \$12.5M contributions

- AIDS Healthcare Foundation
- American Federation of State County & Municipal Employees Local 3299
- California Nurses Association



Prop. 10 Opponents Say:

- Rent control laws reduce the amount of rental property available because landlords will stop renting and does not encourage more building
- This proposition allows the creation of new local bureaucracies with power to regulate rents on all types of residential property

Opponents: Approx. \$19.2M contributions

- California Apartment Association
- Essex Property Trust
- Western National Group



Prop. 10: Yes or No?

A Yes Vote Means:

- Repeals Costa Hawkins Rental Housing Act
- Allows cities and counties to enact rent control ordinances or threaten to use it to keep prices down.

A No Vote Means:

- No change to current practices



Prop 11

Requires Private-Sector Emergency Ambulance Employees to Remain on Call During Work Breaks. Changes Other Conditions of Employment.
(Initiative Statute)



The Way It Is Now

- California counties oversee local Emergency Medical Services
- Private ambulance providers contract to perform EMS in a specific area
- Ambulances are geographically positioned and when an ambulance is dispatched, others are repositioned
- EMS personnel remain "on call" during unpaid work breaks, often interrupted by 911 calls or repositioning
- California Supreme Court ruled in 2016 that private security guards on unpaid break are off-duty and uninterruptible even in an emergency
- EMS personnel are similar to private security guards and it appears that providers need to change break practice
- Providers estimate needing 25% more ambulances to meet this requirement



What Prop 11 Would Do

- Amend state labor laws to apply to ambulance providers' personnel
- Allow EMS to remain on-call (and paid) during breaks
- Requires providers to operate enough ambulances to meet performance requirements
- Applies new on-call rules retroactively to currently pending lawsuits
- Requires providers to offer EMS additional training, education, counseling, and services



Fiscal Impact

- Calculated that private security guard ruling will apply to EMS personnel
- Relieves providers of the cost of operating more ambulances to cover off-duty breaks
- Providers that do not offer new training and education would have new costs
- Tens of millions in local government net savings



Prop. 11 Supporters Say:

- Establishes into law the long-standing industry practice of paying medical personnel to be on-call during their work breaks
- It is essential that emergency personnel are able to respond quickly and deliver lifesaving medical care during mass casualty events
- Mandates that such personnel receive additional training to meet emergency standards

Supporters: Approx. \$8M contributions

- American Medical Response



Prop. 11 Opponents Say:

- AMS put this on the ballot to deprive their workers of the required breaks.
- There are numerous suits in court now that would go against AMR if this fails.
- There is a high suicide rate among first responders and AMR provides little, if any, mental health insurance
- This applies to private ambulances. Public ones provide breaks.

Opponents: No contributions

United EMS Workers, AFSCME local 4911



Prop. 11: Yes or No?

A Yes Vote Means:

- Amends the Labor Code to allow private ambulance employees to remain (and be paid) on-call during work breaks
- Exempts employers from potential liability for violations of existing laws regarding work breaks

A No Vote Means:

- No change to current practices
- Current pending lawsuits will move forward



Prop 12

Establishes New Standards for
Confinement of Certain Farm Animals.
Bans Sale of Certain Non-Complying
Products.
(Initiative Statute)



The Way It Is Now

- In 2008 California voters approved a ballot initiative to regulate cages and crates of egg-laying hens, pregnant pigs, and veal calves
- Law took effect in 2015
- Complaints that the law is too vague and lacks clarity around implementation and enforcement



What Prop 12 Would Do

- Set specific standard measurements for cages of egg-laying hens and veal calves (2020)
- Ban sale of eggs and meat from hens, pigs, calves raised in areas smaller than specified, whether produced in California or another state (2020)
- Require cage-free housing systems for hens and require eggs from others states to comply (2022)
- Designates California Department of Food and Agriculture and California Department of Public Health jointly responsible for implementation



Fiscal Impact

- Potential decrease in state income tax revenue from farm businesses, likely not more than \$10M annually
- State costs up to \$10M annually for enforcement
- Consumer prices likely to increase for eggs, pork, and veal



Prop. 12 Supporters Say:

- Strengthen and clarify California's decade-old farm animal anti-cruelty law
- Prevent egg-laying hens, breeding pigs, and veal calves from being housed inhumanely in small cages for their entire lives
- Reduce the risk of people being sickened by food poisoning and factory farm pollution by preventing overcrowding of animals in small spaces

Supporters: Approx. \$4.3M contributions

- The Humane Society of the United States



Deborah Stone

Prop. 12 Opponents Say:

- Is not a truly cruelty-free alternative to current factory farm practices
- Would face court or legislative challenges from other states regarding the ban on selling non-conforming eggs and meat
- Mandates full compliance by 2022, a too-narrow time frame that could result in supply disruptions, price spikes, and shortages of eggs, pork products, and veal



Opponents: Approx. \$550k contributions

- Humane Farming Action Fund

Prop. 12: Yes or No?

A Yes Vote Means:

- Bans the sales of meat and eggs from veal calves, breeding pigs, and egg-laying hens confined in cages below a specific number of square feet
- Sales ban applies to all states

A No Vote Means:

- No change to current practices



More Information

- **Sample Ballot**
 - Mailed to registered voters
- **Official Voter Information Guide**
 - www.voterguide.sos.ca.gov
 - Mailed to registered voters
- **Easy Voter Guide**
 - www.easyvoterguide.org
- **Voters Edge**
 - www.votersedge.org/ca
- **Cal-Access**
 - cal-access.sos.ca.gov

