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**Attachments:** [November 2016 Initiative Overview.doc](#)

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## **Update on November Initiatives – More Than 70 Measures Submitted So Far**

As the election season heats up a great deal of attention has been given the large number of initiatives that have been submitted for the November 2016 statewide ballot. To date 71 measures have been submitted and are working their way through the process of Title & Summary, signature gathering or signature verification. A few measures have already qualified.

Attached is a summary of the major initiatives and we have focused on those that could most impact public education. The politics of the November elections could be completely chaotic. It is a presidential year so voter turnout should be high. But there are numerous tax measures that have been submitted and many of them will run headlong into each other. For example there are two initiatives that would extend the “high income earner” portion of Proposition 30 – each with different priorities for the funding. A \$9 billion school bond measure has already qualified and, in many respects is good news for school leaders. However, all of the polling seems to show that the presence of a school bond will detract for the ability to successfully pass an extension of Proposition 30. These are the challenges that lie ahead.

The sheer volume of measures coupled with the volatility of the policy elements will make passage of key propositions like a school bond and an extension of Proposition 30 more difficult and far more expensive.

We will continue to monitor these measures closely and keep you all informed as the election gets closer.  
Jeff

**Eligible Statewide Ballot Measures  
&  
Initiatives in Circulation for the  
November 8, 2016 Statewide Ballot**

There is a lot of activity occurring in the Initiative process with over 70 possible ballot initiatives in various stages of qualifying for the November 8, 2016 Statewide Ballot. Once a proposal is submitted, the Attorney General is charged with preparing a “circulating Title and Summary of the chief purpose and points of a proposed initiative measure”. When the official Title & Summary is completed, the clock starts ticking and the proponents actively start gathering signatures for their initiative.

Thirty-seven of the 70 possible ballot initiatives have been cleared for circulation; they cover everything from requiring condoms for porn performers to ending spousal support, from overhauling California’s reasonable use of force laws to flying the state flag above the stars and stripes, from increasing the Legislature by tenfold to rebranding our governor as a president.

Many of these proposals will fail to make the cut; however, the ballot may still be stacked with big battles. Marijuana supporters are making another major legalization push; unions are lining up behind efforts to increase the tobacco tax, raise the minimum wage to \$15 and extend the Proposition 30 education taxes; and opponents are seeking to overturn California’s new mandatory vaccinations law.

Four measures/initiatives are currently eligible for the November 2016 Statewide Ballot. The measures are:

- ✓ Referendum on the statewide plastic bag ban passed by lawmakers last year,
- ✓ Reversal of 1998’s Proposition 227 restricting bilingual education in public schools,
- ✓ Initiative to protect a multibillion-dollar federal revenue stream for California hospitals from legislative interference, and
- ✓ \$9 billion school bond

Below is a brief overview of the two proposals that would impact K-12 education and are eligible to appear on the November 2016 Statewide Ballot.

**School Bonds - Funding for K-12 School and Community College Facilities.  
Initiative Statutory Amendment. (15-0005)**

Authorizes \$9 billion in general obligation bonds: \$3 billion for new construction and \$3 billion for modernization of K-12 public school facilities; \$1 billion for charter schools and vocational education facilities; and \$2 billion for California Community Colleges facilities. This measure allows the state to sell \$9 billion of general obligation bonds- \$7 billion for K-12 school facilities and \$2 billion for community college facilities.

*K-12 School Facilities* – The \$7 billion for K-12 school facilities is designated for four types of projects:

- \$3 billion for new construction,
- \$3 billion for modernization,
- \$500 million for CTE facilities, and
- \$500 million for charter school facilities.

The underlying requirements and funding formulas for these project types would be based on the existing SFP.

*Community College Facilities* – The measure includes \$2 billion for community colleges to construct new buildings and related infrastructure, modernize existing buildings, and purchase equipment. The Governor and Legislature would approve the specific projects to be funded by the bond monies in the annual budget act over the next several years.

### **California Multilingual Education Act (Senate Bill 1174)**

The California Multilingual Education Act (SB 1174) is on the November 8, 2016 ballot as a legislatively referred state statute. The measure was sponsored by Senator Ricardo Lara (D-33) as SB1174 or the Multilingual Education for a 21st Century Economy Act.

The proposed measure, upon voter approval, would repeal most of the 1998 Proposition 227, the "English in Public Schools" Initiative, thus effectively allowing non-English languages to be used in public educational instruction.

The measure would repeal the sheltered English immersion requirement and waiver provisions required by Proposition 227, and instead require that school districts and county offices of education shall provide English learners with a structured English immersion program.

### **Initiatives and Referenda Cleared for Circulation**

Below is a brief overview of some key Initiatives that have Title & Summary and are currently in the circulation phase of gathering the appropriate number of signatures to qualify for the statewide ballot.

#### **Political Contributions. Out-of-State Donors (Initiative Statute). (15-0012)**

*Summary Date: 05/29/2015*

*Circulation Deadline: 11/25/15*

*Signatures Required: 365,880*

The measure amends the Political Reform Act to prohibit a candidate, committee, or slate mailer organization from receiving political contributions from nonresidents of the California. The measure does not define who is a non resident. The measure terms do not apply to federal elections.

#### **Limits on Use of Facilities in Government Buildings and Businesses. Initiative Statute. (15-0019)**

*Summary Date: 06/23/2015*

*Circulation Deadline: 12/21/15*

*Signatures Required: 365,880*

Under the measure, individuals would be required to use the restroom, shower, dressing room, and locker room facilities in government buildings that correspond to their sex as determined (1) at or near the time of birth (such as the sex documented on their birth certificates), (2) based on a new birth certificate resulting from a sex change, or (3) through medical examination. **The measure defines government buildings as those owned, rented, or occupied by state or local government, such as a city, school district, community college district, or a public university.** The above requirement

would not apply to facilities designed for use by a single individual, restrooms for (families, or facilities in which a child or individual with a medical condition requires assistance from another person.

The measure also states that individuals could file a civil claim for a violation of privacy against a government entity or person "for willful violation" of the measure if (1) their "privacy was actually violated" while using facilities or (2) they declined to use a facility because of a violation of the measure. In addition to attorney fees, such individuals could seek up to three times their actual damages or a minimum of \$4,000.

Finally, the measure states that any commercial or noncommercial entity open to and serving the public that requires individuals to use facilities that correspond to their sex would not be subject to criminal, civil, administrative, or other sanctions.

*Fiscal Effects* – According to the LAO (Legislative Analyst Office), the magnitude of the fiscal effects of this measure would depend upon (1) how it is interpreted by the courts, (2) how state and local governments implement the measure, and (3) how the federal government responds to the measure's implementation. Thus, the potential impacts described below are subject to considerable uncertainty.

*State Court Costs* - The measure would result in state court costs related to processing civil claims authorized under the measure. The actual increase in costs would depend on the number of individuals who choose to file such claims and how long such claims take to process. Thus, the increase in state court costs is unknown, but is not likely to exceed a few tens of millions of dollars annually.

*Other Government Costs* – State and local governments could incur costs related to actions taken to avoid, litigate, or remedy civil claims filed for violating the measure. However, the actual cost would depend on how the measure is interpreted by the courts and implemented by state and local governments. For example, state and local governments could simply revise their administrative manuals and inform employees and members of the public on the requirements of the measure. Alternatively, they could take much more costly actions, such as renovating existing facilities into facilities designed for use by a single individual in order to exempt them from the measure. Accordingly, the total increase in these costs to state and local governments is unknown.

### **Homeowner's Property Tax Exemption and Renter's Tax Credit. Initiative Constitutional Amendment. (15-0028)**

*Summary Date: 07/07/2015*

*Circulation Deadline: 01/04/16*

*Signatures Required: 585,407*

*Increases Homeowners' Property Tax Exemption* – This measure amends the State Constitution to increase the homeowners' property tax exemption from \$7,000 to \$32,000, effective January 2017. This would increase a typical homeowner's exemption from around \$80 to roughly \$365 per year. The measure requires the amount of the exemption to be adjusted annually to reflect inflation. The state would reimburse local governments for their property tax losses resulting from the increase in the exemption. The measure specifies that these increased state reimbursements shall not have a net fiscal impact on the amount of funding received by schools and community colleges.

*Creates a Supplemental Renters' Credit* — The measure creates a supplemental credit for renters, which would be provided in addition to the existing renters' credit. The supplemental credit would be \$125 per year for single renters and \$250 per year for married couples and heads of households. These amounts would be adjusted annually to reflect inflation. In contrast to the existing renters' credit, renters could claim the supplemental credit regardless of their income.

The measure specifies that the changes to the renters' credit shall not have a net fiscal impact on the amount of funding received by schools and community colleges.

*Fiscal Effect*— By increasing the homeowners' property tax exemption to \$32,000, the measure would reduce local property tax revenues statewide by around \$1.5 billion annually beginning in 2017-18. State costs to reimburse local governments for their property tax losses would increase by a like amount.

*The cigarette tax proponents have introduced two measures regarding cigarette tax increases. Initiative #15-0029 & Initiative #15-0030. Both proposals increase cigarette tax by \$2.00 per pack with equivalent increase on other tobacco products. The difference between the two proposals is that Initiative #15-0029 expands the tax to include "electronic cigarettes."*

**Cigarette Tax to Fund Healthcare, Tobacco Use Prevention, Research, and Law Enforcement. Initiative Statute. (15-0029) & (15-0030)**

*Summary Date: 07/09/2015*

*Circulation Deadline: 01/05/16*

*Signatures Required: 365,880*

Increases cigarette tax by \$2.00 per pack, with equivalent increase on other tobacco products. Allocates revenues primarily to increase funding for existing healthcare programs and services; also for tobacco use prevention/control programs, for tobacco-related disease research, for state/local agencies to enhance tobacco law enforcement, for University of California to train more physicians, and for administrative expenses.

If tax causes decreased tobacco consumption, transfers tax revenues to offset decreases to existing tobacco-funded programs and sales tax revenues

The LAO estimates a net increase in excise tax revenues in the range of \$1.1 billion to \$1.4 billion annually by 2017-18, with revenues decreasing slightly in subsequent years. The funds would be used for health care expenses, tobacco-related prevention and cessation programs, law enforcement programs, and medical research on tobacco-related diseases.

**Referendum to Allow Personal Belief Exemption from Mandatory Immunization Program for Schoolchildren. (15-0035)**

*Summary Date: 07/13/2015*

*Circulation Deadline: 09/28/2015*

*Signatures Required: 365,880*

If signed by the required number of registered voters, this petition will place on the statewide ballot a challenge to a state law previously approved by the Legislature and the Governor. The challenged law must then be approved by a majority of voters at the next statewide election to go into effect. The law eliminates the personal belief exemption from the state's mandatory immunization program for schoolchildren.

The measure was designed to overturn Senate Bill 277, which eliminated personal belief and religious exemptions from vaccination requirements for schoolchildren. Under SB 277, schoolchildren would not need vaccinations if a physician recommends against vaccination for medical reasons.

The referendum is proposed by former Rep. Tim Donnelly (R-33).

**Property Tax Surcharge to Fund Poverty Reduction Programs. Initiative Constitutional Amendment and Statute. (15-0043, Amdt. #1)**

*Summary Date: 09/21/2015*

*Circulation Deadline: 03/21/16*

*Signatures Required: 585,407*

This measure enacts a surcharge from 2017-18 through 2036-37 on most properties in the state valued (for tax purposes) at above \$3 million. This surcharge would raise between \$6 billion and \$7 billion in new revenues in 2017-18, with revenue amounts in future years generally expected to grow over time (in nominal terms).

The measure deposits these revenues into a new special fund – “the Lifting Children and Families Out of Poverty Fund” – and would dedicate the revenues to several programs intended to reduce poverty. These programs are:

- (1) the designation of certain areas of the state with high concentrations of poverty as "California Promise Zones" to facilitate coordination of anti-poverty efforts;
- (2) a significant expansion in home visiting programs that provide prenatal and early childhood services;
- (3) a significant expansion in government-subsidized child care;
- (4) the creation of a new sector-specific job training and tax credit program;
- (5) an increase to cash grants provided through the California Work Opportunity and Responsibility to Kids (CalWORKs) program; and
- (6) a supplement to the California Earned Income Tax Credit (EITC), a personal income tax (PIT) credit for low wage workers.

**Initiatives and Referendum at the Attorney Generals Office**  
**waiting for Title & Summary**

The following proposals have not been issued their “Official” Title & Summary from the Attorney General. Thus, they have not been cleared to start the signature gathering phase of the initiative process.

**The Safe Communities, Parks and Schools Act of 2016” (15-0052)**

The Safe Communities, Parks and Schools Act of 2016 aims to protect the health, safety and well-being of children and adolescents, and to create a fair, enforceable set of taxes

and regulations for the commercial cannabis industry that enhances California's economic and physical health.

The measure establishes a self-funding comprehensive regulatory scheme for the commercial sales of cannabis, allowing municipalities to reasonably regulate such licensed establishments to ensure public safety.

- Establishes a reasonable excise tax on commercially sold cannabis which goes to fund the regulatory program and other related costs. All revenues of the state excise tax will fund responsible drug education for our youth and our communities (34%), state park restoration projects (33%), as well as scientifically-based cannabis research on a wide variety of issues (33%).
- Effectively integrates the medical marijuana community into the new licensing scheme, while exempting terminally ill patients from paying any taxes on their medicine.
- Removes civil and criminal penalties for the possession, cultivation and consumption of small amounts of cannabis for responsible adult use statewide, but enhances penalties for the cultivation on public lands or the use of a firearm in the commission of an unlicensed commercial transaction.

The Attorney General estimates releasing the measures Title & Summary on 10/29/15 which will allow the proponents to begin the signature gathering phase.

#### **The School Funding and Budget Stability Act of 2016 – (15-0065)**

The new "School Funding and Budget Stability Act" would boost income tax rates on couples earning more than \$500,000 a year for 12 years, with the proceeds deposited into an account to support K-12 schools and colleges. This measure would extend the Prop 30 income tax provision for another 12 years. The proposed tax increase would generate an estimated \$7 billion to \$9 billion a year, and run through 2030.

The quarter-cent sales tax increase would not be touched, and would expire as planned in 2016.

The proponents filing the measure include the California Teachers Association, Service Employees International Union, and other public safety and public employees' unions.

The Attorney General estimates releasing the measures Title & Summary on 11/18/15 which will allow the proponents to begin the signature gathering phase.

*On September 21, 2015 another proposal to extend the 2012 income tax increase (Proposition 30) was filed and will be aiming for the 2016 ballot. The proposal is "The Invest in California's Children Act."*

#### **The Invest in California's Children Act (15-0070)**

The Invest in California's Children Act would expand and make permanent the Proposition 30 income tax increases on the state's highest earners.

The proposal is being led by the California Hospital Association, the Service Employees International Union-United Healthcare Workers West and Common Sense Kids Action.

Similar to Proposition 30, the measure would increase taxes on couples earning at least \$580,000 annually. Those taxes were set to expire at the end of 2018. It also would impose even higher income tax rates for so-called "super-earner" couples that make more than \$2 million a year.

Half of the estimated \$10 billion a year in annual revenues would go to K-14 education; 40% to California's Medi-Cal program for low-income people; and the remainder to prekindergarten and early childhood development programs. The proposal also calls for a "rainy day" budget reserve modeled on last fall's Proposition 2.

Under the proposal, money from the Invest in California's Children Act could go to any number of health care-related programs, including to reimburse physicians and other health care workers, who see Medi-Cal patients or to replace a tax on managed-care organizations that expires June 30.

The quarter-cent sales tax increase would not be touched, and would expire as planned in 2016.

The Attorney General estimates releasing the measures Title & Summary on 11/25/15 which will allow the proponents to begin the signature gathering phase.

It's unclear whether Governor Brown, who is termed out in 2018, will get involved this time. He said repeatedly that his 2012 tax measure was temporary and should remain so. If both measures qualify for the ballot and pass, the one with the most votes would prevail.