

SRVDC RECOMMENDATIONS ON NOVEMBER 2016 INITIATIVES

Proposition 51 – School Bonds. Funding for K-12 School and Community College Facilities. Initiative Statutory Amendment.

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. Bars amendment to existing authority to levy developer fees to fund school facilities, until new construction bond proceeds are spent or December 31, 2020, whichever is earlier. Bars amendment to existing State Allocation Board process for allocating school construction funding, as to these bonds. Appropriates money from the General Fund to pay off bonds. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: State General Fund costs of \$17.6 billion to pay off principal (\$9 billion) and interest (\$8.6 billion) on bonds over a period of 35 years. Annual payments would average \$500 million. Annual payments would be relatively low in the initial and final few years and somewhat higher in the intervening years.

SRVDC Issues Committee: Support.

Proposition 52 – State Fees on Hospitals. Federal Medi-Cal Matching Funds. Initiative Statutory and Constitutional Amendment.

Increases required vote to two-thirds for the Legislature to amend a certain existing law that imposes fees on hospitals (for purpose of obtaining federal Medi-Cal matching funds) and that directs those fees and federal matching funds to hospital-provided Medi-Cal health care services, to uncompensated care provided by hospitals to uninsured patients, and to children's health coverage. Eliminates law's ending date. Declares that law's fee proceeds shall not be considered revenues for purposes of applying state spending limit or determining required education funding. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: State savings from increased revenues that offset state costs for children's health coverage of around \$500 million beginning in 2016-17 (half-year savings) to over \$1 billion annually by 2019-20, likely growing between 5 percent to 10 percent annually thereafter. Increased revenues to support state and local public hospitals of around \$90 million beginning in 2016-17 (half-year) to \$250 million annually by 2019-20, likely growing between 5 percent to 10 percent annually thereafter. The California legislature would not be permitted to change the proportion of funding that hospitals get back after federal funds are drawn. It is good that hospitals are reimbursed, but this proposition allows no negotiation of the reimbursed amount.

SRVDC Issues Committee: Oppose.

Rationale for our Recommendation:

A “yes” vote would make permanent the “Hospital Quality Assurance Fee,” which the state collects from private hospitals and is used to draw matching federal money to fund

Medi-Cal services. The California legislature would not be permitted to change the proportion of funding that hospitals get back after federal funds are drawn. The legislature would be permitted to amend the hospital fee program with a two-thirds vote, but only when the proposed changes “amend or add provisions that further the purposes of the Act.” Advocates say that the ballot measure would help ensure the money is not diverted by lawmakers for other uses.

A “no” vote would allow the California legislature to change, extend, or eliminate the hospital fee program with a majority vote. Legislators would be allowed, by majority vote, to divert Medi-Cal fees to other uses (for emergencies, for example). Opponents of this initiative say that the proposition would divert resources from patients and communities to special interests, and would not require accountability for hospital CEOs and lobbyists regarding how the money is spent.

Proposition 53 – Revenue Bonds. Statewide Voter Approval. Initiative Constitutional Amendment.

It requires statewide voter approval before any revenue bonds can be issued or sold by the state for projects that are financed, owned, operated, or managed by the state or any joint agency created by or including the state, if the bond amount exceeds \$2 billion. It prohibits dividing projects into multiple separate projects to avoid statewide voter approval requirement. Revenue bond projects are funded by users and taxpayers, as opposed to general obligation bonds, which already require approval by the voters. The nonpartisan Legislative Analyst’s Office has said that “it is unclear how certain provisions of the measure would be interpreted by government agencies and the courts, which could affect the number of projects subject to the measure’s voter requirements.” According to the California Political Fair Practices Commission, as of August 16, 2016, the sole contributors to the support campaign for Proposition 53 are Stockton business executive Dean Coropassi and his wife, Joan Coropassi. The CPFPC also says that the majority of campaign funds for the opposition come from engineering, infrastructure, business and construction organizations. The California Democratic Party opposes this proposition.

SRVDC Issues Committee : NO POSITION

Proposition 54 Legislature. Legislation and Proceedings. Initiative Constitutional Amendment and Statute.

It prohibits the Legislature from passing any bill unless it has been in print and published on the Internet for at least 72 hours before the vote, except in cases of public emergency. It requires the Legislature to make audiovisual recordings of all its proceedings, except closed session proceedings, and post them on the Internet. It authorizes any person to record legislative proceedings by audio or video means, except closed session proceedings. It allows recordings of legislative proceedings to be used for any legitimate purpose, without payment of any fee to the State.

It provides transparency in government, and prevents “back room” deals on legislation. On the other hand, it allows the use of legislative proceedings for "attack ads" and other political uses, and would increase state costs by millions of dollars. The good effects of transparency outweigh the negative effects.

SRVDC Issues Committee: Support.

Proposition 55 -- Tax Extension to Fund Education and Healthcare.

Initiative Constitutional Amendment.

It will temporarily maintain the current tax rates on the wealthiest Californians to prevent billions of dollars in funding cuts for public education and vital services, like children’s health care. California students, schools and colleges can’t afford to go back to the days of massive teacher layoffs, larger class sizes, and cuts to programs like art and music, and should protect essential services.

The money goes to local schools and the Legislature can’t touch it – strict accountability requirements ensure funds designated for education go to classrooms, not to bureaucracy

SRVDC Issues Committee: Support.

Proposition 56 - Cigarette Tax to Fund Healthcare, Tobacco Use Prevention, Research, and Law Enforcement. Initiative Constitutional Amendment and Statute.

It would raise cigarette taxes by \$2 per pack -- with an equivalent increase on products containing nicotine derived from tobacco, including e-cigarettes -- to save lives and protect children. The American Cancer Society Cancer Action Network, American Lung Association in California, sponsors the measure and American Heart Association because raising tobacco taxes keeps kids from smoking and helps smokers quit. Revenue from this user fee would be used to fight cancer and improve healthcare by funding treatment, research and prevention of cancer and tobacco-related diseases.

SRVDC Issues Committee: Support.

PROPOSITION 57 - Criminal Sentences. Juvenile Criminal Proceedings and Sentencing. Initiative Constitutional Amendment and Statute.

It reforms criminal justice in two ways. First, it changes the way a juvenile is determined to be tried as an adult. Currently a prosecutor, who is an advocate for one side only, makes the determination. This proposition states the determination of whether a juvenile should be tried as an adult will be made by a judge hearing evidence related specifically to the defendant. This gives a more balanced and humane approach to the issue of juvenile crime. Second, It will also allow those in prison, regardless of their type of crime, to be rewarded for their good behavior. This promotes good behavior and rehabilitation. It also makes inmates eligible for parole after they serve their term, but before they serve their term due to enhancements. In addition, the public will have some part in developing the specifics of these regulations, e.g. how to determine whether a crime was violent.

SRVDC Issues Committee: SUPPORT.

PROPOSITION 58 -- English Language Education.

It allows parents and school districts to determine the best way to teach students English while also encouraging them to retain and improve their mother language with the goal of developing multilingual skills. This will enhance student multilingual skills as well as fluency in English.

SRVDC Issues Committee: SUPPORT.

PROPOSITION 59 -- Corporation. Political Spending. Federal Constitutional Protections. Legislative Advisory Question.

It instructs California's elected officials should use their authority to propose and ratify one or more amendments to the US Constitution overturning the United States US Supreme Court decision in Citizens United v. Federal Election Commission as well as other relevant judicial precedents. The amendments would allow full regulation or limitation of campaign contributions and spending, and make clear that corporations do not have the same constitutional rights as human beings. Citizens United ruled that laws placing certain limits on political spending by corporations and unions are unconstitutional.

SRVDC Issues Committee: SUPPORT.

PROPOSITION 60 -- Adult Films. Condoms. Health Requirements. Initiative Statute.

It requires adult film performers to use condoms during filming of sexual intercourse. It requires producers to pay for performer vaccinations, testing, and medical examinations. These sound reasonable, but there are already laws and regulations in place. This proposition complicates the regulations already set. Both the California Republican Party and the California Democratic Party oppose.

SRVDC Issues Committee: OPPOSE.

PROPOSITION 61 -- State Prescription Drug Purchases. Pricing Standards. Initiative Statute.

It prohibits state from buying any prescription drug from a drug manufacturer at a price greater than the lowest price paid for the drug by United States Department of Veterans Affairs. Thus, for state prescription drug purchases, it will reduce the price, but there is no guarantee that pharmaceutical companies will not increase their Veterans Administration prices. In addition, managed care programs funded through Medi-Cal are exempt. It sounds as though it is a good idea, but it could easily disrupt prices Medi-Cal has already negotiated. The California Medical Association is opposed.

SRVDC Issues Committee: NO POSITION.

PROPOSITION 62 -- Death Penalty. Initiative Statute.

It repeals death penalty and replaces it with life imprisonment without possibility of parole. It applies retroactively to existing death sentences. It states that persons found guilty of murder and sentenced to life without possibility of parole must work while in prison as prescribed by the Department of Corrections and Rehabilitation. It increases to 60% the portion of wages earned by persons sentenced to life without the possibility of parole that may be applied to any victim restitution fines or orders against them. The California Democratic Party is against the death penalty and most SRVDC members are also.

SRVDC Issues Committee: SUPPORT.

PROPOSITION 63 -- Firearms. Ammunition Sales. Initiative Statute.

Prohibits possession of large-capacity ammunition magazines, and requires their disposal by sale to dealer, destruction, or removal from state. Requires most individuals to pass background check and obtain Department of Justice authorization to purchase ammunition. Requires most ammunition sales be made through licensed ammunition vendors and reported to Department of Justice. Requires lost or stolen firearms and ammunition be reported to law enforcement. Prohibits persons convicted of stealing a firearm from possessing firearms. Establishes new procedures for enforcing laws prohibiting firearm possession by felons and violent criminals. Requires Department of Justice to provide information about prohibited persons to federal National Instant Criminal Background Check System. In summary, it requires Point of Sale background checks to purchase ammo. It prohibits large-capacity magazines. It requires gun owners to notify police if weapons are lost or stolen. These are commonsense restrictions.

SRVDC Issues Committee: SUPPORT.

PROPOSITION 64 -- Marijuana Legalization. Initiative Statute.

It legalizes marijuana and hemp under state law. Designates state agencies to license and regulate marijuana industry. It imposes state excise tax on retail sales of marijuana equal to 15% of sales price, and state cultivation taxes on marijuana of \$9.25 per ounce of flowers and \$2.75 per ounce of leaves. It exempts medical marijuana from some taxation. It establishes packaging, labeling, advertising, and marketing standards and restrictions for marijuana products. It allows local regulation and taxation of marijuana. It prohibits marketing and advertising marijuana to minors. It authorizes resentencing and destruction of records for prior marijuana convictions. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: Net reduced costs ranging from tens of millions of dollars to potentially exceeding \$100 million annually to state and local governments related to enforcing certain marijuana-related offenses, handling the related criminal cases in the court system, and incarcerating and supervising certain marijuana offenders. Net additional

state and local tax revenues potentially ranging from the high hundreds of millions of dollars to over \$1 billion annually related to the production and sale of marijuana. Most of these funds would be required to be spent for specific purposes such as substance use disorder education, prevention, and treatment.

SRVDC Issues Committee: SUPPORT.

PROPOSITION 65 -- Carry-Out Bags. Charges. Initiative Statute.

Redirects money collected by grocery and certain other retail stores through sale of carry-out bags, whenever any state law bans free distribution of a particular kind of carry-out bag and mandates the sale of any other kind of carry-out bag. Requires stores to deposit bag sale proceeds into a special fund administered by the Wildlife Conservation Board to support specified categories of environmental projects. Provides for Board to develop regulations implementing law. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: If voters uphold the state's current carryout bag law, redirected revenues from retailers to the state, potentially in the several tens of millions of dollars annually. Revenues would be used for grants for certain environmental and natural resources purposes. If voters reject the state's current carryout bag law, likely minor fiscal effects. This proposition was written by the organizations that do not want a ban on plastic bags. The California Democratic Club opposes it.

SRVDC Issues Committee: OPPOSE.

PROPOSITION 66 -- Death Penalty. Procedures. Initiative Statute.

Changes procedures governing state court appeals and petitions challenging death penalty convictions and sentences. Designates superior court for initial petitions and limits successive petitions. Imposes time limits on state court death penalty review. Requires appointed attorneys who take noncapital appeals to accept death penalty appeals. Exempts prison officials from existing regulation process for developing execution methods. Authorizes death row inmate transfers among California state prisons. States death row inmates must work and pay victim restitution. States other voter approved measures related to death penalty are null and void if this measure receives more affirmative votes. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: Increased state costs that could be in the tens of millions of dollars annually for several years related to direct appeals and habeas corpus proceedings, with the fiscal impact on such costs being unknown in the longer run. Potential state correctional savings that could be in the tens of millions of dollars annually. This proposition was written by those opposing Proposition 62 that gets rid of the death penalty. To speed up the appeals process, most likely those on death row would be given attorneys who are not competent enough to handle death row cases.

SRVDC Issues Committee: OPPOSE.

PROPOSITION 67 -- Referendum to Overturn Ban on Single-Use Plastic Bags.

Essentially this proposition prevents a vote on a proposition to overturn the ban. If you are in favor of the ban, you would vote YES.

SRVDC Issues Committee: SUPPORT.

BART Bond - SRVDC Issues Committee: SUPPORT.

Measure X (CCTA Tax) - SRVDC Issues Committee: SUPPORT