

California General Election



**Tuesday
November 6, 2018**

Polls Are Open From 7:00 a.m. to 8:00 p.m. on Election Day!

★ ★ ★ ★ ★ OFFICIAL VOTER INFORMATION GUIDE ★ ★ ★ ★ ★



Certificate of Correctness

I, Alex Padilla, Secretary of State of the State of California, do hereby certify that the measures included herein will be submitted to the electors of the State of California at the General Election to be held throughout the State on November 6, 2018, and that this guide has been correctly prepared in accordance with the law. Witness my hand and the Great Seal of the State in Sacramento, California, this 13th day of August, 2018.



Alex Padilla, Secretary of State

VOTER BILL OF RIGHTS

YOU HAVE THE FOLLOWING RIGHTS:

1 **The right to vote if you are a registered voter.** You are eligible to vote if you are:

- a U.S. citizen living in California
- at least 18 years old
- registered where you currently live
- not currently in state or federal prison or on parole for the conviction of a felony
- not currently found mentally incompetent to vote by a court

2 **The right to vote if you are a registered voter even if your name is not on the list.** You will vote using a provisional ballot. Your vote will be counted if elections officials determine that you are eligible to vote.

3 **The right to vote if you are still in line when the polls close.**

4 **The right to cast a secret ballot** without anyone bothering you or telling you how to vote.

5 **The right to get a new ballot if you have made a mistake,** if you have not already cast your ballot. You can:

Ask an elections official at a polling place for a new ballot,

Exchange your vote-by-mail ballot for a new one at an elections office or at your polling place, or

Vote using a provisional ballot.

6 **The right to get help casting your ballot** from anyone you choose, except from your employer or union representative.

7 **The right to drop off your completed vote-by-mail ballot at any polling place** in California.

8 **The right to get election materials in a language other than English** if enough people in your voting precinct speak that language.

9 **The right to ask questions to elections officials about election procedures** and watch the election process. If the person you ask cannot answer your questions, they must send you to the right person for an answer. If you are disruptive, they can stop answering you.

10 **The right to report any illegal or fraudulent election activity** to an elections official or the Secretary of State's office.

🖥️ On the web at www.sos.ca.gov

☎️ By phone at **(800) 345-VOTE (8683)**

✉️ By email at elections@sos.ca.gov

**IF YOU BELIEVE YOU HAVE BEEN DENIED ANY OF THESE RIGHTS, CALL THE SECRETARY OF STATE'S
CONFIDENTIAL TOLL-FREE VOTER HOTLINE AT (800) 345-VOTE (8683).**

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Visit the Secretary of State’s Website to:

- Research campaign contributions and lobbying activity cal-access.sos.ca.gov OR powersearch.sos.ca.gov
- Find your polling place or a vote center on Election Day www.sos.ca.gov/elections/polling-place OR VoterStatus.sos.ca.gov
- View this voter guide in other languages www.voterguide.sos.ca.gov
- Get vote-by-mail ballot information www.sos.ca.gov/elections/voter-registration/vote-mail/
- Check your registration status and registration information VoterStatus.sos.ca.gov
- Read helpful information for first-time voters www.sos.ca.gov/elections/voting-california



Secretary of State

Dear Fellow Californians,

There is no greater right than the right to vote. America's democracy thrives when every eligible voter participates. Through voting, you can select your local, state and national leaders and ensure that your voice is heard. The General Election is Tuesday, November 6. The election is fast approaching. I encourage you to participate in your most fundamental right as a citizen of the United States of America.

All of the information is presented here as a reference for you. This Voter Guide can help you make informed decisions. It includes impartial analysis, arguments in favor and against numerous ballot measures, declarations of the candidates, the Voter Bill of Rights and other important information. This guide is also available online on the California Secretary of State website: www.VoterGuide.sos.ca.gov.

You can check your voter registration status anytime by visiting VoterStatus.sos.ca.gov. You can download our VOTE CALIFORNIA app on your smartphone or tablet and access critical election information and lookup your nearest polling location. And, you can visit PowerSearch.sos.ca.gov if you would like to learn more about who is financing each of the candidates or propositions on the ballot.

If you have any questions about how to vote, or how to register to vote, you can contact the office of the Secretary of State by calling toll free 1-800-345-VOTE (8683). To obtain the contact information of your local county elections officials, visit the Secretary of State website at: www.sos.ca.gov/county-elections-offices.

Thank you for your commitment to the future of both our state and nation. The General Election is Tuesday, November 6. Your vote is important. Your vote is your voice. Be heard. VOTE!

QUICK-REFERENCE GUIDE

PROP 1 AUTHORIZES BONDS TO FUND SPECIFIED HOUSING ASSISTANCE PROGRAMS. LEGISLATIVE STATUTE.

PROP 2 AUTHORIZES BONDS TO FUND EXISTING HOUSING PROGRAM FOR INDIVIDUALS WITH MENTAL ILLNESS. LEGISLATIVE STATUTE.

SUMMARY *Put on the Ballot by the Legislature*

Authorizes \$4 billion in general obligation bonds for existing affordable housing programs for low-income residents, veterans, farmworkers, manufactured and mobile homes, infill, and transit-oriented housing. Fiscal Impact: Increased state costs to repay bonds averaging about \$170 million annually over the next 35 years.

WHAT YOUR VOTE MEANS

YES A YES vote on this measure means: Allows the state to sell \$4 billion in general obligation bonds to fund veterans and affordable housing.

NO A NO vote on this measure means: The state could not sell \$4 billion in general obligation bonds to fund veterans and affordable housing.

ARGUMENTS

PRO YES on Prop. 1 means affordable housing for veterans, working families, seniors, people with disabilities and Californians experiencing homelessness from California's severe housing crisis. Prop. 1 doesn't raise taxes! Veterans, Habitat for Humanity, Congress of CA Seniors, Coalition to End Domestic Violence and more all agree: Yes on Prop. 1.

CON Proposition 1 would authorize the State to borrow \$4 billion (by selling bonds) for housing programs. The housing shortage stemming from the influx of millions to California requires far bigger solutions. A bad solution proposed earlier this year (Senate Bill 827) would have destroyed existing neighborhoods. There are BETTER APPROACHES.

FOR ADDITIONAL INFORMATION

FOR
David Koenig
(916) 974-9411
info@vetsandaffordablehousingact.org
Vetsandaffordablehousingact.org

AGAINST
Gary Wesley
Mountain View, CA

SUMMARY *Put on the Ballot by the Legislature*

Amends Mental Health Services Act to fund No Place Like Home Program, which finances housing for individuals with mental illness. Ratifies existing law establishing the No Place Like Home Program. Fiscal Impact: Allows the state to use up to \$140 million per year of county mental health funds to repay up to \$2 billion in bonds. These bonds would fund housing for those with mental illness who are homeless.

WHAT YOUR VOTE MEANS

YES A YES vote on this measure means: The state could use existing county mental health funds to pay for housing for those with mental illness who are homeless.

NO A NO vote on this measure means: The state's ability to use existing county mental health funds to pay for housing for those with mental illness who are homeless would depend on future court decisions.

ARGUMENTS

PRO YES on Prop. 2: Supportive housing and treatment for homeless people living with serious mental illness. Prop. 2 won't raise taxes. It will help people off the streets and into comprehensive mental health services and addiction treatment. Homeless advocates, social workers, doctors and emergency responders agree: Yes on Prop. 2.

CON Taking up to \$5.6 BILLION away from the severely mentally ill to fund bonds to build them just housing without *requiring* treatment will force many more into homelessness. It is unnecessary, because last year the Legislature authorized county use of MHSA funds for housing without the need to borrow money.

FOR ADDITIONAL INFORMATION

FOR
David Koenig
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CAyesonprop2.org

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QUICK-REFERENCE GUIDE

PROP 3 AUTHORIZES BONDS TO FUND PROJECTS FOR WATER SUPPLY AND QUALITY, WATERSHED, FISH, WILDLIFE, WATER CONVEYANCE, AND GROUNDWATER SUSTAINABILITY AND STORAGE. INITIATIVE STATUTE.

PROP 4 AUTHORIZES BONDS FUNDING CONSTRUCTION AT HOSPITALS PROVIDING CHILDREN'S HEALTH CARE. INITIATIVE STATUTE.

SUMMARY *Put on the Ballot by Petition Signatures*

Authorizes \$8.877 billion in state general obligation bonds for various infrastructure projects. Fiscal Impact: Increased state costs to repay bonds averaging \$430 million per year over 40 years. Local government savings for water-related projects, likely averaging a couple hundred million dollars annually over the next few decades.

WHAT YOUR VOTE MEANS

YES A YES vote on this measure means: The state could sell \$8.9 billion in general obligation bonds to fund various water and environmental projects.

NO A NO vote on this measure means: The state could not sell \$8.9 billion in general obligation bonds to fund various water and environmental projects.

ARGUMENTS

PRO YES ON 3 secures safe, reliable, and clean water for California. YES ON 3 provides safe drinking water; repairs unsafe dams; provides drought protection; improves water quality in our ocean, bays, and rivers; and captures, treats, and reuses stormwater. YES ON 3 provides water for people, farms, and the environment.

CON Prop. 3 gives money to lots of organizations. That's the whole idea. But it will not produce one drop of new, usable water. Interest payments on the bonds will double the amount that has to be repaid to bond holders. Think about it . . . seriously. Vote NO.

FOR ADDITIONAL INFORMATION

FOR
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AGAINST
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Taxpayer Group
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www.thetaxwatchers.org

SUMMARY *Put on the Ballot by Petition Signatures*

Authorizes \$1.5 billion in bonds, to be repaid from state's General Fund, to fund grants for construction, expansion, renovation, and equipping of qualifying children's hospitals. Fiscal Impact: Increased state costs to repay bonds averaging about \$80 million annually over the next 35 years.

WHAT YOUR VOTE MEANS

YES A YES vote on this measure means: The state could sell \$1.5 billion in general obligation bonds for the construction, expansion, renovation, and equipping of certain hospitals that treat children.

NO A NO vote on this measure means: The state could not sell the \$1.5 billion in general obligation bonds proposed for these purposes.

ARGUMENTS

PRO California Children's Hospitals provide specialized care for over 2 million sick children each year—cancer, sickle cell, organ transplants—no matter what families can pay. 85% of children with leukemia are cured. Proposition 4 increases capacity, provides the latest technology, and advances pediatric research to cure more children.

CON Proposition 4 would authorize the State to borrow \$1.5 billion for construction and expansion at "non-profit" children hospitals by selling bonds that would need to be repaid with interest. We should look at the bigger picture and ask how to improve health care outcomes in California.

FOR ADDITIONAL INFORMATION

FOR
Yes 4 Children's Hospitals—
Yes on Proposition 4
YesOnProposition4.org

AGAINST
Gary Wesley
Mountain View, CA

QUICK-REFERENCE GUIDE

PROP 5 CHANGES REQUIREMENTS FOR CERTAIN PROPERTY OWNERS TO TRANSFER THEIR PROPERTY TAX BASE TO REPLACEMENT PROPERTY. INITIATIVE CONSTITUTIONAL AMENDMENT AND STATUTE.

PROP 6 ELIMINATES CERTAIN ROAD REPAIR AND TRANSPORTATION FUNDING. REQUIRES CERTAIN FUEL TAXES AND VEHICLE FEES BE APPROVED BY THE ELECTORATE. INITIATIVE CONSTITUTIONAL AMENDMENT.

SUMMARY *Put on the Ballot by Petition Signatures*

Removes certain transfer requirements for homeowners over 55, severely disabled homeowners, and contaminated or disaster-destroyed property. Fiscal Impact: Schools and local governments each would lose over \$100 million in annual property taxes early on, growing to about \$1 billion per year. Similar increase in state costs to backfill school property tax losses.

WHAT YOUR VOTE MEANS

YES A YES vote on this measure means: All homeowners who are over 55 (or who meet other qualifications) would be eligible for property tax savings when they move to a different home.

NO A NO vote on this measure means: Certain homeowners who are over 55 (or who meet other qualifications) would continue to be eligible for property tax savings when they move to a different home.

ARGUMENTS

PRO Prop. 5 eliminates the “moving penalty” that currently hurts SENIORS (55+) and SEVERELY DISABLED Californians. YES means SENIORS and SEVERELY DISABLED can purchase a new primary residence and not face this property tax penalty. YES allows SENIORS/ SEVERELY DISABLED to move near family or purchase more practical, safer homes.

CON Prop. 5 doesn't build any new housing or help first-time homebuyers purchase homes. It will cut up to \$1 billion in local revenue from public schools, fire, police, health care and other services for tax breaks for wealthy Californians and to help its authors—corporate real estate interests. NoProp5.com

FOR ADDITIONAL INFORMATION

FOR
Cary Davidson
Yes on 5 Committee
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Los Angeles, CA 90071
(888) 384-8467
info@propertytaxfairness.com
voteyesonprop5.com

AGAINST
No on Prop 5
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Sacramento, CA 95814
(916) 443-7817
info@NoProp5.com
NoProp5.com

SUMMARY *Put on the Ballot by Petition Signatures*

Repeals a 2017 transportation law's taxes and fees designated for road repairs and public transportation. Fiscal Impact: Reduced ongoing revenues of \$5.1 billion from state fuel and vehicle taxes that mainly would have paid for highway and road maintenance and repairs, as well as transit programs.

WHAT YOUR VOTE MEANS

YES A YES vote on this measure means: Fuel and vehicle taxes recently passed by the Legislature would be eliminated, which would reduce funding for highway and road maintenance and repairs, as well as transit programs. The Legislature would be required to get a majority of voters to approve new or increased state fuel and vehicle taxes in the future.

NO A NO vote on this measure means: Fuel and vehicle taxes recently passed by the Legislature would continue to be in effect and pay for highway and road maintenance and repairs, as well as transit programs. The Legislature would continue not to need voter approval for new or increased state fuel and vehicle taxes in the future.

ARGUMENTS

PRO VOTE YES ON 6 to immediately LOWER GAS PRICES. Californians are struggling with the high cost of living. VOTE YES on Proposition 6 to repeal the unfair regressive gas and car tax increase and require voter approval for any future increase. VOTE YES on Prop. 6 for lower gas prices!

CON California Professional Firefighters, California Association of Highway Patrolmen, American Society of Civil Engineers and first responders URGE NO on Proposition 6 because it jeopardizes the safety of bridges and roads. Prop. 6 eliminates \$5 billion annually in local transportation funding, stopping thousands of road safety, congestion relief and transportation improvement projects in every California community. www.NoProp6.com

FOR ADDITIONAL INFORMATION

FOR
Give Voters a Voice—Yes on 6
www.GiveVotersAVoice.com

AGAINST
No on Prop 6: Stop the Attack on Bridge & Road Safety
1121 L Street, Suite 910
Sacramento, CA 95814
(800) 958-1194
info@NoProp6.com
www.NoProp6.com

QUICK-REFERENCE GUIDE

PROP 7 CONFORMS CALIFORNIA DAYLIGHT SAVING TIME TO FEDERAL LAW. ALLOWS LEGISLATURE TO CHANGE DAYLIGHT SAVING TIME PERIOD. LEGISLATIVE STATUTE.

PROP 8 REGULATES AMOUNTS OUTPATIENT KIDNEY DIALYSIS CLINICS CHARGE FOR DIALYSIS TREATMENT. INITIATIVE STATUTE.

SUMMARY *Put on the Ballot by the Legislature*

Gives Legislature ability to change daylight saving time period by two-thirds vote, if changes are consistent with federal law. Fiscal Impact: This measure has no direct fiscal effect because changes to daylight saving time would depend on future actions by the Legislature and potentially the federal government.

WHAT YOUR VOTE MEANS

YES A YES vote on this measure means: The Legislature, with a two-thirds vote, could change daylight saving time if the change is allowed by the federal government. Absent any legislative change, California would maintain its current daylight saving time period (early March to early November).

NO A NO vote on this measure means: California would maintain its current daylight saving time period.

ARGUMENTS

PRO Proposition 7 will end the biannual time changes that medical researchers and economists agree are hazardous to the health and productivity of schoolchildren, the workforce and seniors. Vote Yes on Proposition 7 to keep our children, workplaces and roadways safe.

CON Proposition 7 allows for permanent Daylight Saving time, subject to federal approval. It would be light in the evening in the summer, as it is now, but winter mornings would be dark for an extra hour so children would be going to school in the dark.

FOR ADDITIONAL INFORMATION

FOR
Yes on Proposition 7
YesProp7@gmail.com
www.YesProp7.info

AGAINST
Senator Hannah-Beth Jackson

SUMMARY *Put on the Ballot by Petition Signatures*

Requires rebates and penalties if charges exceed limit. Requires annual reporting to the state. Prohibits clinics from refusing to treat patients based on payment source. Fiscal Impact: Overall annual effect on state and local governments ranging from net positive impact in the low tens of millions of dollars to net negative impact in the tens of millions of dollars.

WHAT YOUR VOTE MEANS

YES A YES vote on this measure means: Kidney dialysis clinics would have their revenues limited by a formula and could be required to pay rebates to certain parties (primarily health insurance companies) that pay for dialysis treatment.

NO A NO vote on this measure means: Kidney dialysis clinics would not have their revenues limited by a formula and would not be required to pay rebates.

ARGUMENTS

PRO Dialysis is a life-saving treatment, but big dialysis corporations making huge profits don't invest enough in basic sanitation and patient care. YES ON 8 supports investment in quality patient care and stops overcharging that drives up costs for Californians. The California Democratic Party, veterans, healthcare advocates and religious leaders agree: www.YesOn8.com

CON Proposition 8 is OPPOSED by thousands of nurses, doctors, patients, the American Nurses Association\California, California Medical Association, American College of Emergency Physicians of CA because it would result in the closure of many dialysis clinics in California—dangerously reducing access to care, putting the lives of vulnerable dialysis patients at risk, and increasing costs for California taxpayers. Vote NO. www.NoProp8.com

FOR ADDITIONAL INFORMATION

FOR
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Yes on 8
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info@YesOn8.com
www.YesOn8.com

AGAINST
No on Proposition 8: Stop the
Dangerous Dialysis
Proposition
(888) 663-9997
info@NoProp8.com
www.NoProp8.com

QUICK-REFERENCE GUIDE

On July 18, 2018, Proposition 9 was removed from the ballot by order of the California Supreme Court.

**PROP
10**

EXPANDS LOCAL GOVERNMENTS' AUTHORITY TO ENACT RENT CONTROL ON RESIDENTIAL PROPERTY. INITIATIVE STATUTE.

SUMMARY

Put on the Ballot by Petition Signatures

Repeals state law that currently restricts the scope of rent-control policies that cities and other local jurisdictions may impose on residential property. Fiscal Impact: Potential net reduction in state and local revenues of tens of millions of dollars per year in the long term. Depending on actions by local communities, revenue losses could be less or considerably more.

WHAT YOUR VOTE MEANS

YES A YES vote on this measure means: State law *would not* limit the kinds of rent control laws cities and counties could have.

NO A NO vote on this measure means: State law *would continue to* limit the kinds of rent control laws cities and counties could have.

ARGUMENTS

PRO Prop. 10 restores authority to establish rent control in local communities, putting fair, annual limits on the amount landlords can raise rent. This keeps tenants in their homes rather than being pushed far away or into homelessness. *TEN protects TENants.*
Supporters: CALIFORNIA DEMOCRATIC PARTY, California Nurses Association, California Teachers Association, ACLU of California, Housing California, Eviction Defense Network, SEIU, National Urban League, Southern Christian Leadership Conference of Southern California.

CON Prop. 10 will make the housing crisis worse, not better. Affordable housing advocates agree that Prop. 10 is bad for renters and bad for homeowners! It allows regulation of single-family homes and puts bureaucrats in charge of housing by letting them add fees on top of rent. **VOTE NO ON 10!**

FOR ADDITIONAL INFORMATION

FOR
YES on Prop 10—Coalition for Affordable Housing
(424) 307-5278
team@VoteYesOnProp10.org
www.VoteYesOnProp10.org

AGAINST
No on Prop 10—A Flawed Initiative That Will Make The Housing Crisis Worse
(530) 586-4940
info@Prop10Flaws.com
www.Prop10Flaws.com

QUICK-REFERENCE GUIDE

PROP 11 REQUIRES PRIVATE-SECTOR EMERGENCY AMBULANCE EMPLOYEES TO REMAIN ON-CALL DURING WORK BREAKS. ELIMINATES CERTAIN EMPLOYER LIABILITY. INITIATIVE STATUTE.

PROP 12 ESTABLISHES NEW STANDARDS FOR CONFINEMENT OF SPECIFIED FARM ANIMALS; BANS SALE OF NONCOMPLYING PRODUCTS. INITIATIVE STATUTE.

SUMMARY *Put on the Ballot by Petition Signatures*

Law entitling hourly employees to breaks without being on-call would not apply to private-sector ambulance employees. Fiscal Impact: Likely fiscal benefit to local governments (in the form of lower costs and higher revenues), potentially in the tens of millions of dollars each year.

WHAT YOUR VOTE MEANS

YES A YES vote on this measure means: Private ambulance companies could continue their current practice of having emergency medical technicians (EMTs) and paramedics stay on-duty during their meal and rest breaks in order to respond to 911 calls. Private ambulance companies would attempt to reschedule meal and rest breaks that are interrupted by a 911 call.

NO A NO vote on this measure means: Private ambulance companies would be subject to labor laws for this industry. Based on a recent court decision, these laws likely would require ambulance companies to provide EMTs and paramedics with off-duty meal and rest breaks that cannot be interrupted by a 911 call.

ARGUMENTS

PRO California faces disasters too often. Prop. 11 ensures EMTs and paramedics are paid to be reachable during breaks to save lives, gives them better disaster training that meets FEMA standards and mandatory mental health coverage. In an emergency, seconds are the difference between life and death. YES on 11! It's commonsense.

CON No argument against Proposition 11 was submitted.

FOR ADDITIONAL INFORMATION

FOR
 Californians for Emergency Preparedness and Safety
 2350 Kerner Boulevard,
 Suite 250
 San Rafael, CA 94901
 (916) 836-4301
 info@YESon11.org
 www.YESon11.org

AGAINST
 No contact information was provided.

SUMMARY *Put on the Ballot by Petition Signatures*

Establishes minimum requirements for confining certain farm animals. Prohibits sales of meat and egg products from animals confined in noncomplying manner. Fiscal Impact: Potential decrease in state income tax revenues from farm businesses, likely not more than several million dollars annually. State costs up to \$10 million annually to enforce the measure.

WHAT YOUR VOTE MEANS

YES A YES vote on this measure means: There would be new minimum requirements on farmers to provide more space for egg-laying hens, breeding pigs, and calves raised for veal. California businesses would be banned from selling eggs or uncooked pork or veal that came from animals housed in ways that did not meet these requirements.

NO A NO vote on this measure means: Current minimum space requirements for confining egg-laying hens, pregnant pigs, and calves raised for veal would continue to apply. Current ban on businesses in California selling eggs not meeting these space requirements for hens would remain in effect.

ARGUMENTS

PRO Confining a baby veal calf, mother pig, or egg-laying hen inside a tiny cage is cruel. Products from these suffering animals threaten food safety. YES on Prop. 12 endorsers: Nearly 500 California veterinarians, ASPCA, Humane Society of the United States, California family farmers and animal shelters, Center for Food Safety.

CON This outrageous sell-out to the egg industry betrays animals and voters. Californians already voted to ban cages by 2015. This cruel measure legalizes cages until at least 2022! And hens get just ONE SQUARE FOOT of space. Vote NO on farm animal cruelty by voting NO on Proposition 12. www.StopTheRottenEggInitiative.org

FOR ADDITIONAL INFORMATION

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AGAINST
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 INFO@NoOnProposition12.org
 www.NoOnProposition12.org

Check Your Voter Status Online



Visit the Secretary of State's My Voter Status page at VoterStatus.sos.ca.gov, where you can check your voter status, find your polling place or a vote center, and much more.

Use **My Voter Status** to:

- See if you are registered to vote and, if so, in what county
- Check your political party preference
- Find your polling place
- Find a vote center (for voters living in Madera, Napa, Nevada, Sacramento, and San Mateo counties)
- Find upcoming elections in your area
- Receive your state Voter Information Guide (VIG) by email before each statewide election
- Find contact information for your county elections office
- Check the status of your vote-by-mail ballot or provisional ballot

Election Day Information

Polls and vote centers are open from 7:00 a.m. to 8:00 p.m. on Tuesday, November 6. If you are in line before 8:00 p.m., you can still vote. To find your polling place or a vote center:



Check the county Voter Information Guide your county elections official mailed to you



Call (800) 345-VOTE (8683)



Online at www.sos.ca.gov/elections/polling-place or VoterStatus.sos.ca.gov



Text *Vote* to GOVOTE (468683)



Download the "Vote California" mobile app (available at the iOS and Android stores)

Top Contributors to Statewide Candidates and Ballot Measures

When a committee (a person or group of people who receives or spends money for the purpose of influencing voters to support or oppose candidates or ballot measures) supports or opposes a ballot measure or candidate and raises at least \$1 million, the committee must report its top 10 contributors to the California Fair Political Practices Commission (FPPC). The committee must update the top 10 list when there is any change.

These lists are available on the FPPC website at <http://www.fppc.ca.gov/transparency/top-contributors.html>



AUTHORIZES BONDS TO FUND SPECIFIED HOUSING ASSISTANCE PROGRAMS. LEGISLATIVE STATUTE.

OFFICIAL TITLE AND SUMMARY

PREPARED BY THE ATTORNEY GENERAL

The text of this measure can be found on the Secretary of State's website at <http://voterguide.sos.ca.gov>.

- Authorizes \$4 billion of state general obligation bonds to fund existing housing programs.
- Includes \$1.5 billion for Multifamily Housing Program for low-income residents, \$1 billion for loans to help veterans purchase farms and homes, \$450 million for infill and transit-oriented housing projects, \$300 million for farmworker housing program, and \$300 million for manufactured and mobile homes.
- Provides housing assistance for buyers, infrastructure financing, and matching grants to expand affordable housing stock.
- Appropriates General Fund revenues to pay off bonds for existing programs that have no revenues or insufficient revenues.

SUMMARY OF LEGISLATIVE ANALYST'S ESTIMATE OF NET STATE AND LOCAL GOVERNMENT FISCAL IMPACT:

- Increased state costs to repay bonds averaging about \$170 million annually over the next 35 years. These bond funds would be used to provide affordable housing.

State Bond Cost Estimate

Authorized new borrowing	\$4 billion
Average annual cost to pay off bond	\$170 million
Likely repayment period	35 years
Source of repayment	General tax revenue

FINAL VOTES CAST BY THE LEGISLATURE ON SB 3 (PROPOSITION 1) (CHAPTER 365, STATUTES OF 2017)

Senate:	Ayes 30	Noes 8
Assembly:	Ayes 56	Noes 21

ANALYSIS BY THE LEGISLATIVE ANALYST

BACKGROUND

Housing Is Expensive in California.

Housing in California has long been more expensive than most of the rest of the country. While many factors have a role in driving California's high housing costs, the most important is the significant shortage

of housing, particularly within coastal communities. A shortage of housing means households wishing to live in the state compete for limited housing. This competition increases home prices and rents. Today, an average California home costs 2.5 times the national average. California's average

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

monthly rent is about 50 percent higher than the rest of the country.

State Housing Programs Fund Some Home Building. In most years, about 100,000 houses and apartments are built in California. Most of these housing units are built entirely with private dollars. Some, however, receive financial help from federal, state, or local governments. In these cases, the state provides local governments, nonprofits, and private developers with grants or low-cost loans to fund a portion of the housing units' construction costs. Typically, housing built with these funds must be sold or rented to Californians with low incomes. A portion of housing units built with state funds is set aside for homeless Californians. While the state historically has not provided ongoing funding for these housing programs, California receives approximately \$2 billion annually from the federal government to support these projects.

Home Loan Program for Veterans. The state's veteran home loan program provides home loans to eligible veterans,

including veterans who may not otherwise qualify for a home loan. Under the program, the state sells general obligation bonds to investors and uses the funds to provide loans to eligible veterans to purchase homes. Participating veterans repay the state for these home loans. These funds are then used to repay the bonds.

PROPOSAL

New General Obligation Bonds for Housing. This measure allows the state to sell \$4 billion in new general obligation bonds for various housing programs. (For more information on the state's use of bonds, see "Overview of State Bond Debt" later in this guide.)

USE OF FUNDS

As shown in Figure 1, the measure provides bond funding for various

Figure 1	
Proposed Uses of Bond Funds	
<i>(In Millions)</i>	
Category	Amount
State Housing Programs	
Affordable multifamily housing programs	\$1,800
Infrastructure programs	450
Homeownership programs	450
Farmworker housing program	300
Subtotal	(\$3,000)
Veterans Housing Program	
Veteran home loans	\$1,000
Total	\$4,000

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

housing programs, which are described below in more detail.

State Housing Programs. The measure provides \$3 billion for various state housing programs. Proceeds from the bond sale would be awarded to program applicants—local governments, nonprofit organizations, and private developers—through a competitive process administered by the state.

- **Affordable Multifamily Housing Programs.** The measure provides \$1.8 billion to build or renovate rental housing projects, such as apartment buildings. These programs generally provide local governments, nonprofit organizations, and private developers with low-interest loans to fund part of the construction cost. In exchange, projects must reserve units for low-income households for a period of 55 years.
- **Infrastructure Programs.** The measure provides \$450 million to programs that build housing in existing urban areas and near public transportation. The funds also would provide loans and grants for a wide variety of projects that support this housing—such as parks and water, sewage, and transportation infrastructure.

- **Homeownership Programs.** The measure provides \$450 million to encourage homeownership for low- and moderate-income homebuyers. Most of the funds would be used to provide down payment assistance to first-time homebuyers through low-interest loans or grants. Additionally, the measure provides funds to assist low- and moderate-income families to build their own homes.
- **Farmworker Housing Program.** This measure provides \$300 million in loans and grants to build housing for farmworkers. Program funds would be used for both rental and owner-occupied housing.

Veterans Housing Program. This measure also provides \$1 billion for home loan assistance to veterans. Veterans generally use these loans to purchase single-family residences, condominiums, farms, and mobile homes.

FISCAL EFFECTS

Bond Cost for State Housing Programs. This measure would allow the state to borrow up to \$3 billion by selling general obligation bonds to investors, who would be repaid with interest from the state’s General Fund. The cost of these bonds would depend on various factors—such as the interest

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

rates in effect at the time they are sold, the timing of the bond sales, and the time period over which they are repaid. We estimate that the cost to taxpayers to repay the bonds would average **about \$170 million annually for 35 years**—totaling \$5.9 billion to pay off both the principal (\$3 billion) and interest (\$2.9 billion). This amount is about one-tenth of 1 percent of the state’s current General Fund budget.

Bond Cost for Veterans Housing Program.

This measure would allow the state to borrow up to \$1 billion by selling general obligation bonds to investors. Veterans participating in the home loan program would make monthly payments to the state, allowing the state to repay the bonds. These payments have always covered the amount owed on the bonds, meaning the program has always operated at no direct cost to the state.

How Many People Could the Measure Help?

The funds from this measure typically would be used together with other government monies to provide housing assistance. In many cases,

the measure would allow the state to receive additional federal funding for affordable housing. In total, the bond funds would provide annual subsidies for up to 30,000 multifamily and 7,500 farmworker households. The funds also would provide down payment assistance to about 15,000 homebuyers and home loans to about 3,000 veterans. In some cases, such as for the down payment assistance programs, Californians could quickly begin to benefit from the bond funding. In other cases, such as for the construction of new affordable multifamily housing, it could take several years for Californians to benefit from the measure.

Visit <http://www.sos.ca.gov/campaign-lobbying/cal-access-resources/measure-contributions/2018-ballot-measure-contribution-totals/> for a list of committees primarily formed to support or oppose this measure. Visit <http://www.fppc.ca.gov/transparency/top-contributors/nov-18-gen.html> to access the committee’s top 10 contributors.

If you desire a copy of the full text of the state measure, please call the Secretary of State at (800) 345-VOTE (8683) or you can email vigfeedback@sos.ca.gov and a copy will be mailed at no cost to you.

★ ARGUMENT IN FAVOR OF PROPOSITION 1 ★

YES on Prop. 1 means relief from the crushing housing crisis that is devastating Californians and taking its harshest toll on veterans, hardworking families, seniors, and people with disabilities.

Prop. 1 is the ONLY proposition that directly addresses the shortage of housing by building more affordable homes— WITHOUT RAISING TAXES.

YES on 1 means housing for veterans, and delivering help to those who are struggling most by:

- Investing \$1 billion to help veterans afford homes
• Building new, emergency housing for homeless children and families
• Building multi-family housing for working families and creating homeownership opportunities
• Creating new supportive housing for people with disabilities and domestic violence victims

“Together, we can create affordable housing to help those in need, including former foster youth and low-income senior citizens.”—Sen. Jim Beall, Prop. 1 Author, Senate Transportation and Housing Committee Chairman.

HONORING VETERANS WITH HOUSING

YES on Prop. 1 means dedicating \$1 billion SOLELY to veterans’ housing by providing new housing and homeownership opportunities for veterans under the CalVet Home Loan Program that has helped 423,000 veterans and their families. Prop. 1 honors veterans by helping them have a home after they return from service.

California has the largest population of homeless veterans in the nation, and homelessness is expected to increase over the next decade among veterans who served in Iraq and Afghanistan. Veterans suffering from medical and mental health conditions sustained from their service are at high risk for long-term homelessness.

“A safe, stable, affordable home is how we can provide a lifetime of support for veterans of all generations and their families. Affordable housing for veterans opens up opportunities to participate in the American Dream their sacrifices have made possible.”—Gerald G. Wilson, Past State Commander, Disabled American Veterans, Department of California.

HARDWORKING FAMILIES LIVE WHERE THEY WORK

Prop. 1 will build affordable homes for hardworking people like nursing aides, grocery clerks, and teaching assistants, so they can live in the communities where they work while still having money for groceries and childcare.

EASING HOMELESSNESS CRISIS

Prop. 1 will address rising homelessness in our neighborhoods. Families pushed to the financial brink are living in cars, doubled and even tripled up in overcrowded housing. Families with no other options turn to overwhelmed shelters.

SAFE, AFFORDABLE HOUSING FOR VICTIMS OF DOMESTIC VIOLENCE

“Domestic violence exists in the shadows, often unseen, forcing many victims and their children to live in unsafe conditions. Emergency shelters can’t meet the demand and housing crises exacerbate trauma. The ability to live in a stable, affordable home brings safety and healing for survivors and their families.”—Kathy Moore, California Partnership to End Domestic Violence.

ECONOMIC BOOST

Prop. 1 is expected to create tens of thousands of jobs and boost California’s economy. Business leaders say YES on 1 because California must start building more affordable places for our workforce and keep the state economically competitive.

BROAD SUPPORT

Veterans, Habitat for Humanity, domestic violence survivors, seniors, business and health care leaders agree: Prop. 1 helps build the affordable housing our communities need. www.vetsandaffordablehousingact.org

GERALD G. WILSON, Past State Commander Disabled American Veterans, Department of California

SHARON ELLIS, Chair Habitat for Humanity California

GARY PASSMORE, President Congress of California Seniors

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 1 ★

Under Proposition 1, the \$4 billion to be borrowed by selling bonds would go to a variety of programs that may or may not repay money for revolving use.

The programs are aimed at lessening the housing shortage in California for a very limited number of persons. Far bigger solutions are needed. Let’s ask candidates for state offices what they propose.

A VERY BAD PROPOSAL

Earlier this year, corporate executives in California pushed state legislation (Senate Bill 827) to strip cities and counties of the authority to stop big developers from building highrise apartments and condos in every neighborhood within a half mile of a transit hub or quarter-mile of an existing or later-added frequent bus stop.

Under the bill, even onsite parking spots could not be required!

Over 90% of San Francisco, for example, would have been subject to such imposing highrises.

BE WARNED: Although Senate Bill 827 was not approved in April, SB 827 (or a similar bill) could well be passed and signed into law after the November 2018 election and before you know it.

The proposed law could then only be stopped by a statewide referendum (petition and later vote).

Here is one BETTER APPROACH:

In-fill housing where appropriate but otherwise restrict new business centers to areas that have room for nearby new housing.

Many employees could then walk, skip, skate or bike to work.

GARY WESLEY

★ ARGUMENT AGAINST PROPOSITION 1 ★

This is another general obligation bond measure. It asks voters permission for the State of California to borrow more money by selling “bonds” that would need to be repaid with interest (*potentially through higher property taxes*) usually over many decades. I say “*potentially*” because sometimes bond proceeds are used for financing but repaid by program recipients—such as homeowners under the former Cal-Vet home-farm loan program.

Bond measures present several questions:

1. How far in debt is the government already?
2. What is the expected total cost of the measure to the public?
3. Are the proposed uses for the money specified?
4. Are the proposed uses justified—given other things that may be needed or desired?
5. Should voters continue to finance projects through higher property taxes when California’s property tax system is so unfair?

CALIFORNIA’S PROPERTY TAX SYSTEM IS UNFAIR

In 1978, California voters approved a voter initiative

then-known as Proposition 13. The initiative added provisions to the California Constitution that prevented the “*re-assessment*” of real property unless and until the property changes hands or is substantially rebuilt.

Proposition 13 has protected real property owners from steep tax increases based on higher property values; however, it has also created a system in which new homeowners pay 10–20 times more than their neighbors whose property has like value but was obtained long ago. In addition, because business property can be and is often leased (instead of sold), Proposition 13 has led to a massive shift of the overall property tax burden from businesses to homeowners.

The proponents of a ballot measure should bear the burden of explaining why it is worthy of support—given the full cost, available alternatives and other needs and wants.

In this case, the proponents should use their REBUTTAL to answer questions 1–5 above.

GARY WESLEY

★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 1 ★

Prop. 1 is absolutely essential to address California’s severe housing crisis.

Veterans, working families, people experiencing homelessness, seniors, people with disabilities, women escaping domestic violence and many others are struggling to afford the cost of housing.

Veterans who return home after serving our country can’t find a place they can afford to live.

Hardworking people like nursing aides and grocery clerks, and older retirees on fixed incomes, struggle each month to stay in their homes.

We simply must add more safe, affordable housing for these Californians—and that’s what Prop. 1 will do.

Yes on Prop. 1 will Add Safe, Affordable Housing—Without Raising Taxes

Don’t be misled. Prop. 1 is not a property tax.

\$1 billion of Prop. 1 is dedicated to affordable home loans for veterans and their families, which they will repay over time. The remainder of Prop. 1 will be covered by existing state funds.

Prop. 1 will allow California to leverage federal housing funds: nearly \$3 to match every dollar we invest from Prop. 1.

Prop. 1 Will Build Homes and Save Lives

California is home to nearly a quarter of the nation’s total homeless population, and the highest numbers of veterans and youth facing homelessness alone. We can do better.

Prop. 1 will help alleviate the crisis of homelessness and will honor our veterans with access to safe, affordable homes.

Vote Yes on Prop. 1 to address California’s extreme housing crisis, and help ensure a safe, affordable home is within reach for all Californians.

KATHY MOORE, Executive Director
California Partnership to End Domestic Violence

DEBORAH JOHNSON, President
California Veterans Assistance Foundation

JENNIFER HARK DIETZ, LCSW, Executive Director
People Assisting The Homeless (PATH)

AUTHORIZES BONDS TO FUND EXISTING HOUSING PROGRAM FOR INDIVIDUALS WITH MENTAL ILLNESS. LEGISLATIVE STATUTE.

OFFICIAL TITLE AND SUMMARY

PREPARED BY THE ATTORNEY GENERAL

The text of this measure can be found on the Secretary of State's website at <http://voterguide.sos.ca.gov>.

- Ratifies existing law establishing the No Place Like Home Program, which finances permanent housing for individuals with mental illness who are homeless or at risk for chronic homelessness, as being consistent with the Mental Health Services Act approved by the electorate.
- Ratifies issuance of up to \$2 billion in previously authorized bonds to finance the No Place Like Home Program.
- Amends the Mental Health Services Act to authorize transfers of up to \$140 million annually from the

existing Mental Health Services Fund to the No Place Like Home Program, with no increase in taxes.

SUMMARY OF LEGISLATIVE ANALYST'S ESTIMATE OF NET STATE AND LOCAL GOVERNMENT FISCAL IMPACT:

- Allows the state to use up to \$140 million per year of county mental health funds to repay up to \$2 billion in bonds. These bonds would fund housing for those with mental illness who are homeless.

FINAL VOTES CAST BY THE LEGISLATURE ON AB 1827 (PROPOSITION 2) (CHAPTER 41, STATUTES OF 2018)

Senate:	Ayes 35	Noes 0
Assembly:	Ayes 72	Noes 1

ANALYSIS BY THE LEGISLATIVE ANALYST

BACKGROUND

Counties Provide Mental Health Services.

Counties are primarily responsible for providing mental health care for persons who lack private coverage. Counties provide psychiatric treatment, counseling, hospitalization, and other mental health services. Some counties also arrange other types of help for those with mental illness—such as housing, substance abuse treatment, and employment services.

Mental Health Services Act. In 2004, California voters approved Proposition 63,

also known as the Mental Health Services Act. The act provides funding for various county mental health services by increasing the income tax paid by those with income above \$1 million. This income tax increase raises \$1.5 billion to \$2.5 billion per year.

No Place Like Home Program. In 2016, the Legislature created the No Place Like Home Program to build and rehabilitate housing for those with mental illness who are homeless or at-risk of becoming homeless. The state plans to pay for this housing by borrowing up to \$2 billion.

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

The state would borrow this money by selling bonds, which would be repaid with interest over about 30 years using revenues from the Mental Health Services Act. This means less funding would be available for other county mental health services. No more than \$140 million of Mental Health Services Act funds could be used for No Place Like Home in any year. The bond payments would be around \$120 million in a typical year.

Court Approval Needed for No Place Like Home. Before these bonds can be sold, the state must ask the courts to approve the state’s plan to pay for No Place Like Home. The courts must decide two main issues:

- Whether using Mental Health Services Act dollars to pay for No Place Like Home goes along with what the voters wanted when they approved the Mental Health Services Act.
- Whether voters need to approve the No Place Like Home bonds. (The State Constitution requires voters to approve certain kinds of state borrowing.)

This court decision is pending.

PROPOSAL

The measure allows the state to carry out No Place Like Home. In particular, the measure:

- **Approves the Use of Mental Health Services Act Funds for No Place Like Home.** The measure says that Mental Health Services Act funds can be used for No Place Like Home. No more than \$140 million of Mental Health Services

Act funds could be used for No Place Like Home in any year.

- **Authorizes \$2 Billion in Borrowing.** The measure allows the state to sell up to \$2 billion in bonds to pay for No Place Like Home. The bonds would be repaid over many years with Mental Health Services Act funds.

With this measure, the state would no longer need court approval on the issues discussed above to carry out No Place Like Home.

FISCAL EFFECTS

Fiscal Effect Depends on the Court Decision.

The fiscal effect of the measure depends on whether or not the courts would have approved the state’s plan to pay for No Place Like Home. If the courts would have approved the state’s plan, the measure would have little effect. This is because the state would have gone forward with No Place Like Home in any case. If the courts would have rejected the state’s plan, the state would not have been able to move forward with No Place Like Home. This measure would allow the state to do so.

Visit <http://www.sos.ca.gov/campaign-lobbying/cal-access-resources/measure-contributions/2018-ballot-measure-contribution-totals/> for a list of committees primarily formed to support or oppose this measure. Visit <http://www.fppc.ca.gov/transparency/top-contributors/nov-18-gen.html> to access the committee’s top 10 contributors.

If you desire a copy of the full text of the state measure, please call the Secretary of State at (800) 345-VOTE (8683) or you can email vigfeedback@sos.ca.gov and a copy will be mailed at no cost to you.

★ ARGUMENT IN FAVOR OF PROPOSITION 2 ★

YES on Prop. 2 delivers the proven solution to help the most vulnerable people experiencing homelessness in California. Prop. 2 builds housing and keeps mental health services in reach for people—the key to alleviating homelessness complicated by mental illness.

More than 134,000 people are languishing on our streets, huddled on sidewalks, sleeping under freeways and along riverbanks. As many as a third of the people living in these unsafe conditions are living with an untreated mental illness.

Each year, hundreds of people living with a serious mental illness die in pain and isolation. These deaths are preventable.

Prop. 2 tackles this public health crisis that is straining our neighborhoods, our businesses, our firefighters and emergency services. It renews our sense of community and focuses on helping save the lives of the most vulnerable among us.

NO PLACE LIKE HOME

YES on Prop. 2 means building 20,000 permanent supportive housing units under the “No Place Like Home” Program. This allows coordinated care of mental health and substance use services, medical care, case managers, education and job training to help people get the treatment and housing stability they need.

Decades of research shows providing people with a stable place to live along with mental health services promotes healthy, stable lives. This combination is known as permanent supportive housing. Studies show supportive housing significantly reduces public health costs and reduces blight.

STRENGTHENING PARTNERSHIPS TO HELP PEOPLE IN NEED

YES on 2 will help establish and strengthen partnerships between doctors, law enforcement, mental health and homeless service providers to help ensure care is coordinated and tailored to meet the needs of each person

suffering from mental health illness and homelessness, or who is at great risk of becoming homeless.

Without the foundation of a stable home connected to mental healthcare, people suffering from serious mental illness are unable to make it to doctors’ appointments and specialized counseling services, often showing up in emergency rooms as a last resort.

“Mental illness does not have to be a life sentence of despair and dysfunction. Supportive housing provides the stability people need as they recover from untreated serious mental illness. It helps them stay off the street and live with dignity.”—*Darrell Steinberg, Author, Mental Health Services Act.*

PROP. 2 IS NOT A TAX

Prop. 2 brings NO COST TO TAXPAYERS—we simply need voter approval to cut through red tape and focus on building supportive housing for people who are homeless and need mental health services. This state funding has long been earmarked for these specialized types of mental health and housing services.

Helping people suffering from serious mental illness and homelessness is not easy. But together, we can help prevent more deaths on our streets and provide critical intervention by building supportive housing connected to mental health treatment and services.

Join doctors, mental health experts, public safety officials, community and homeless advocates and many others in voting YES on Prop. 2.

ZIMA CREASON, President
Mental Health America of California (MHAC)

CHIEF DAVID SWING, President
California Police Chiefs Association

DR. SERGIO AGUILAR-GAXIOLA, Former Member
National Advisory Mental Health Council of the National Institute of Mental Health

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 2 ★

Family members, in partnership with faith communities, actually live the tragedies described by the proponents. We struggle to find treatment and housing supports for loved ones who are targeted by this Proposition.

We support exploring well thought out housing options to end homelessness but Oppose Proposition 2 because it takes Billions away from our loved ones and rewards developers, bond-holders, and bureaucrats. As of 2017, a portion of Proposition 63 money, as determined by each county with community input, MUST fund supportive housing for those suffering *severe mental illnesses*. We OPPOSE cruel and senseless skimming up to \$5.6 Billion of sorely needed treatment funds for bonds (\$140 million yearly, for forty years) and giving \$100 Million to state housing bureaucrats who don’t understand the challenges of those living with *severe mental illness*.

The federal government threatens treatment funding cutbacks. Therefore, we cannot afford to sacrifice any MHSA funds to solve a problem better addressed at the county level. Reducing MHSA funds needed for treatment

would be a costly mistake and contribute to:

Neglect and missing treatment resources.

Causing more individuals with *severe and persistent mental illness* to lose housing and result in even more of them being incarcerated and living on the street.

Through stakeholder engagement, counties already know where to best acquire housing for access to critical services. Prop. 2 cuts off local input and predetermines the balance between treatment and housing needs.

Treatment prevents homelessness. Vote “No” on Proposition 2 to avoid a costly and inhumane mistake!

CHARLES MADISON, President
NAMI Contra Costa

GIGI R. CROWDER, L.E., Executive Director
NAMI Contra Costa

DOUGLAS W. DUNN, Chair
Legislative Committee, NAMI Contra Costa

★ ARGUMENT AGAINST PROPOSITION 2 ★

Please vote “No” on the “No Place Like Home Act,” which should have been called the “Bureaucrat and Developer Enrichment Act,” because that is who we feel will most benefit at the expense of those suffering with the most severe mental illnesses.

NAMI Contra Costa members are mostly family members with “skin in the game,” so therefore are strong advocates for people living with serious and persistent mental illnesses who oppose this bill. Particularly given looming federal cutbacks, NPLH is *counterproductive* because it spends *billions* in treatment funds that Voter Proposition 63 dedicated to the severely mentally ill fourteen years ago. If passed, we strongly feel NPLH will cause more homelessness by forcing more mentally ill people into severe symptoms that could increase the numbers living on the streets.

Proposition 2 is:

- *Costly—up to \$5.6 Billion* (\$140 million x 40, for 40-year bonds) to raise \$2 billion for housing projects. It won’t all go to housing, because housing bureaucrats have already guaranteed themselves \$100 million (5% of the \$2 Billion), admittedly far more than needed to run the program, and have also agreed between themselves to take the entire \$140 million yearly as “administrative expenses,” whether or not they need that amount to pay off the bonds. Developer subsidies (low interest deferred loans that developers will use to build and purchase \$2 Billion in valuable California housing, plus up to 50% operating subsidies) effectively cost the public even more.
- *Unnecessary*, because the Legislature authorized counties to pay for housing for their severely mentally

ill Prop. 63 clients in 2017, in AB 727. Counties, which can accumulate Mental Health Services Act capital funds for up to ten years, can now do “pay as you go” both to build housing and to pay rent subsidies for these clients. Counties do not need to pay out *billions* in interest on bonds, unnecessary state administrative expenses, and developer subsidies to do so. Counties know their mentally ill clients’ treatment and other needs as well as what housing is already available. Only they can determine whether their MHSA funds are best used to pay for treatment or to build housing in their localities.

- *Does nothing* to address systemic legal barriers, like limited state protection against restrictive local zoning, that make it very difficult to build supportive housing for groups like the severely mentally ill. Neighborhoods often fight hard to keep them out. It is senseless to pay out billions in interest and expenses to borrow money that may sit unspent because of local opposition to supportive housing projects with severely mentally ill tenants.

The Voters dedicated Proposition 63 money to treatment, which *prevents* homelessness, in 2004. That is where it should go.

CHARLES MADISON, President
NAMI Contra Costa

GIGI R. CROWDER, L.E., Executive Director
NAMI Contra Costa

DOUGLAS W. DUNN, Chair
Legislative Committee, NAMI Contra Costa

★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 2 ★

Mental illness tragically affects many families. When left untreated, it can also seriously challenge California communities, in the form of chronic homelessness.

Homelessness aggravates mental illness, making treatment even more difficult for those with the greatest needs.

People living on our streets, in doorways, and parks need help NOW. That’s why Prop. 2 is so important.

YES on Prop. 2 will help solve homelessness—and save money

Prop. 2 creates safe, secure housing, connected to mental health and addiction treatment.

Prop. 2 strengthens partnerships between doctors, law enforcement, and homeless service providers who face the challenge of providing effective care to people suffering from mental illness and substance abuse.

Prop. 2 brings NO COST TO TAXPAYERS. Instead, it cuts through red tape so communities can use existing funds to address the urgent problem of homelessness NOW.

Studies show Prop. 2 will help chronically homeless individuals living with a serious mental illness stay off the streets.

A 2018 RAND study found the Prop. 2 approach is beginning to succeed in Los Angeles County, after only one year:

- *3,500 homeless people* off the streets
- *96%* of study participants *stayed in program* at least one year
- *Taxpayers saved more than \$6.5 million* in one year alone
- *Participants visited the ER 70% less*, saving healthcare costs and easing the burden on emergency responders

Learn more: Visit CAYesonProp2.org.

Vote YES on Prop. 2: provide safe, secure supportive housing and services for the chronically homeless—proven to help people living with mental illness stay off the streets.

DR. AIMEE MOULIN, President
California Chapter of American College of Emergency Physicians

BRIAN K. RICE, President
California Professional Firefighters

JANLEE WONG, MSW, Executive Director
National Association of Social Workers—California Chapter

AUTHORIZES BONDS TO FUND PROJECTS FOR WATER SUPPLY AND QUALITY, WATERSHED, FISH, WILDLIFE, WATER CONVEYANCE, AND GROUNDWATER SUSTAINABILITY AND STORAGE. INITIATIVE STATUTE.

OFFICIAL TITLE AND SUMMARY

PREPARED BY THE ATTORNEY GENERAL

The text of this measure can be found on the Secretary of State’s website at <http://voterguide.sos.ca.gov>.

- Authorizes \$8.877 billion in state general obligation bonds for various infrastructure projects: \$3.03 billion for safe drinking water and water quality, \$2.895 billion for watershed and fisheries improvements, \$940 million for habitat protection, \$855 million for improved water conveyance, \$685 million for groundwater sustainability/storage, and \$472 million for surface water storage/dam repairs.
- Appropriates money from General Fund to pay off bonds.
- Requires certain projects to provide matching funds from non-state sources; gives priority to disadvantaged communities.

SUMMARY OF LEGISLATIVE ANALYST’S ESTIMATE OF NET STATE AND LOCAL GOVERNMENT FISCAL IMPACT:

- Increased state costs to repay bonds averaging about \$430 million per year over the next 40 years.
- Savings to local governments, likely averaging a couple hundred million dollars annually over the next few decades.

State Bond Cost Estimates

Authorized new borrowing	\$8.9 billion
Average annual cost to pay off bonds	\$430 million
Likely repayment period	40 years
Source of repayment	General Fund tax revenues

ANALYSIS BY THE LEGISLATIVE ANALYST

BACKGROUND

Californians Get Water From Several Sources. Most of the water used for drinking and farming in California comes from rain and melted snow. Rain and snow flow into streams and rivers, many of which start in the mountains. The areas where these streams and rivers begin are referred to as “watersheds.” California has built dams, reservoirs, and canals to store water and deliver it around the state. Water is also pumped from underground (referred to as “groundwater”), especially during dry years when not as much rain and snow falls. A small share of the state’s water comes from other sources, such as cleaning and reusing the wastewater that households and businesses send into sewers (referred to as “water recycling”).

Most Spending on Water Is by Local Governments. Local government agencies—usually water districts, cities, and counties—fund most of the projects that provide clean water for people to drink, supply water for farming, and protect

communities from floods. These agencies spend about \$25 billion each year on these types of water-related activities. Residents pay for the majority of this spending when they pay their water and sewer bills.

State Also Spends Money on Water, as Well as Environmental Projects. The state gives grants and loans to local government agencies to help pay part of the costs of some of their water projects. The state also spends money on projects to improve the natural environment, including protecting habitats that are home to fish, birds, and other wildlife. In many cases, the state—rather than local governments—provides most of the funding for these environmental projects. Sometimes state departments carry out environmental projects themselves, and sometimes they give grants to local governments, nonprofit organizations, and other organizations for these projects. In recent years, the state has spent about \$4 billion per year to support water and environmental projects.

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

Voter-Approved Bonds Are a Common Source of State Funding for These Projects. The state mainly uses general obligation (GO) bonds and the state’s General Fund to pay for water and environmental projects. GO bonds are a way to borrow money. Voters give the state permission to sell bonds to investors, and the state uses that money as “up-front” funding for projects. The state then repays the investors over time, with interest, from the General Fund—the state’s main operating account, which also pays for education, prisons, health care, and other services. (For more information on the state’s use of bonds, see “Overview of State Bond Debt” later in this guide.)

Since 2000, voters have approved about \$31 billion in GO bonds in statewide elections to pay for different types of water and environmental projects. Of this amount, roughly one-third was still available to pay for new projects as of June 2018. This includes \$4 billion that was approved by voters through Proposition 68 in June 2018.

- **Watershed Lands (\$2.5 Billion).** This category funds projects to improve the conditions of watershed lands, which include forests, meadows, wetlands, and areas near rivers. Funded projects must protect or improve the supply and quality of the water that comes from these lands. Many of these projects would also have environmental benefits, such as improving habitat for fish and wildlife or reducing the risk of forest fires. This funding category includes about 50 subcategories with special requirements, including that certain amounts be spent in specific areas of the state. For example, the proposition provides \$250 million for the forests in the Sierra Nevada Mountains and \$200 million for the Salton Sea in Southern California.
- **Water Supply (\$2.1 Billion).** This funding is for projects that will increase the amount of water available for people to use. This includes money for collecting and cleaning up rainwater (\$550 million), cleaning up

PROPOSAL

\$8.9 Billion Bond for Water and Environmental Projects. This proposition allows the state to sell \$8.9 billion in new GO bonds for various water and environmental projects. These funds fall into six broad categories, as summarized in Figure 1.

Within these broad categories, the proposition includes around 100 subcategories for how certain amounts must be spent, including for particular regions of the state or on specific projects. The proposition’s broad spending categories include the following:

Figure 1		
Uses of Proposition 3 Bond Funds (In Millions)		
Category	Primary Activities	Amount
Watershed lands	Protect, restore, and improve the health of watershed lands in specified areas of the state to increase the amount and quality of water.	\$2,495
Water supply	Improve and increase: drinking water and wastewater treatment, water recycling, collection and clean-up of rainwater, and water conservation.	2,130
Fish and wildlife habitat	Improve habitats for fish and wildlife, including by restoring streams and wetlands to more natural conditions.	1,440
Water facility upgrades	Make connections and repairs to existing dams, canals, and reservoirs.	1,227
Groundwater	Clean up, recharge, and manage groundwater.	1,085
Flood protection	Reduce flood risk, including by expanding floodplains and repairing reservoirs.	500
Total		\$8,877

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

drinking water (\$500 million), and recycling wastewater (\$400 million). The proposition also provides funding for water conservation activities that decrease how much water people use (\$300 million). This could include paying some of the costs for people to install low-flow toilets or replace their lawns with plants that use less water.

- **Fish and Wildlife Habitat (\$1.4 Billion).** This category funds projects to improve fish and wildlife habitat. The types of projects could include increasing the amount of water that flows to a wetland or river, as well as buying undeveloped land to keep it in a natural state. The proposition targets some of the funding for projects to help certain species, including native fish in the Central Valley (\$400 million), salmon and steelhead trout (\$300 million), and migratory birds (\$280 million).
- **Water Facility Upgrades (\$1.2 Billion).** This funding is for four specific projects to improve the availability of water in certain areas of the state. These projects include: (1) repairing the federally owned Madera and Friant-Kern canals in the Central Valley (\$750 million), (2) building canals and other types of projects that connect local reservoirs and communities in the San Francisco Bay region (\$250 million), (3) repairing the state-owned Oroville Dam in Butte County (\$200 million), and (4) planning changes for the North Bay Aqueduct that serves Solano and Napa Counties (\$5 million).
- **Groundwater (\$1.1 Billion).** This category funds projects related to groundwater storage to make sure groundwater will be available in future years. This includes activities to clean up groundwater by removing salts to make it more usable (\$400 million). Funding will also be used for projects that help water to soak back into the ground so that it can be used in the future (known as “groundwater recharge”).

- **Flood Protection (\$500 Million).** This funding is for projects that reduce the risk from floods. These projects could include expanding floodplains (which provide areas where floodwaters can spread without causing much harm) and repairing reservoirs. Some of these projects would provide other benefits, such as improving fish and wildlife habitat, increasing water supplies, and improving recreation opportunities. Some of this funding is for projects in specific areas of the state, including the Central Valley (\$200 million) and the San Francisco Bay Area (\$200 million).

Distributes Most Funding Through Grants. The proposition provides funding to more than a dozen different state departments. The proposition continuously appropriates the bond funds to these departments, which is different from most water and environmental bonds. This means that the Legislature would not spend the funds in the annual state budget. Instead, departments would automatically receive funding when they are ready to spend it. Departments would spend some of the funds to carry out projects themselves. However, almost all of the funds would be given as grants to local government agencies, Indian tribes, nonprofit organizations, and private water companies for specific projects. For some funding subcategories—particularly those related to increasing or protecting water supply—grant recipients would have to provide at least \$1 in local funds for each \$1 of grant funding they receive.

Provides Funding for “Disadvantaged Communities.” The proposition has several requirements to help disadvantaged communities (those with lower average incomes). For a few spending subcategories, the proposition requires that funding be spent on projects that benefit these communities. Also, in many cases disadvantaged communities that receive grants would not have to pay the local share of costs discussed above.

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

Provides Greenhouse Gas (GHG) Funds for Water Projects. Separate from the \$8.9 billion bond, this proposition also changes how the state must spend some existing funding related to GHGs. The state has passed laws to reduce global warming by limiting the amount of GHGs that are released in California. These efforts include the “cap-and-trade” program, which requires some companies and government agencies to buy permits from the state to release GHGs. The program causes some water agencies to have higher electricity costs to operate parts of their water delivery systems, such as pumps and water treatment plants. This proposition requires that a portion of the funding the state receives from the sale of permits be provided to four water agencies—the state Department of Water Resources, the Metropolitan Water District of Southern California, the Contra Costa Water District, and the San Luis and Delta Mendota Water Authority. The amount of funding would be equal to each agency’s additional electricity costs associated with state programs to reduce GHGs. We estimate these costs could total tens of millions of dollars annually. (In the most recent year, the state has received \$3 billion from the sale of permits.) The agencies would be required to spend the funds they receive on such activities as water conservation programs. As such, these funds would no longer be available for the state to spend on other activities.

FISCAL EFFECTS

State Bond Costs. This proposition would allow the state to borrow \$8.9 billion by selling additional GO bonds to investors. These investors would be repaid with interest using the state’s General Fund tax revenues. The cost of these bonds would depend on various factors—such as the interest rates in effect at the time they are sold, the timing of bond sales, and the time period over which they are repaid. We estimate that the cost to state taxpayers to repay this bond would total \$17.3 billion to pay off both principal

(\$8.9 billion) and interest (\$8.4 billion). This would result in average costs of **about \$430 million annually over the next 40 years.** This amount is about one-third of 1 percent of the state’s current General Fund budget.

Local Costs and Savings to Complete Projects.

Much of the bond funding would be used for local government projects. Providing state funds for local projects would affect how much of their own funds these local governments spend on these projects. In many cases, state bonds would reduce local spending. For example, this would occur in cases where the state bond funds replaced monies that local governments would have spent on projects anyway.

In some cases, however, state funds could increase total spending on projects by local governments. For example, some local governments might choose to build additional or substantially larger projects than they would if state funds were not available. For some of these projects—such as when the bond requires a local cost share—local governments would bear some of the additional costs.

On balance, we estimate that this proposition would result in savings to local governments to complete the projects funded by this bond. These savings could average a couple hundred million dollars annually over the next few decades. The exact amount would depend on which specific projects local governments choose and their share of the total project costs.

Visit <http://www.sos.ca.gov/campaign-lobbying/cal-access-resources/measure-contributions/2018-ballot-measure-contribution-totals/> for a list of committees primarily formed to support or oppose this measure. Visit <http://www.fppc.ca.gov/transparency/top-contributors/nov-18-gen.html> to access the committee’s top 10 contributors.

If you desire a copy of the full text of the state measure, please call the Secretary of State at (800) 345-VOTE (8683) or you can email vigfeedback@sos.ca.gov and a copy will be mailed at no cost to you.

★ ARGUMENT IN FAVOR OF PROPOSITION 3 ★

Proposition 3 meets California’s urgent, critical need to secure a safe, reliable and clean water supply by

- Improving long term drought preparedness
- Providing safe drinking water to millions of Californians, including those in disadvantaged communities
- Increasing mountain water runoff we can capture and use
- Repairing existing canals that irrigate our food crops
- Repairing Oroville and other dams to keep people safe and hold more water
- Improving water quality in groundwater, rivers, lakes, and streams
- Using purified recycled water for industry and landscaping

We must secure our state’s future water supply by continued investment in water conservation, recycling, canals, pipelines and water storage facilities.

“California must be prepared for the next inevitable drought and flood, which will be worsened by climate change. Proposition 3 gets California ready for changes in water supply, water quality, and flooding. It invests in water conservation and recycling.”—*Betty Andrews, Water Resources Engineer*

“Proposition 3 will improve water quality in our ocean, lakes, rivers, and streams, and protect natural habitat for California fish, birds, and wildlife.”—*Professor Peter Moyle, Biology Scientist*

“A natural disaster would put our water supply at risk. By improving our water supply facilities, Proposition 3 will protect Californians from earthquakes, wildfires, floods, and landslides. It will also provide multiple benefits, including water for fish and wildlife habitat, farms, cities, and recreation.”—*David Guy, Northern California Water Association*

“California must use all water sources for a reliable water supply and improved water quality.”—*Charley Wilson, Southern California Water Coalition*

“Water quality of our rivers, lakes, bays and oceans will be improved by Proposition 3.”—*David Lewis, Save The Bay*

“We must capture stormwater and use it for water supplies, and prevent trash from being washed into rivers and the ocean.”—*Juliana Gonzalez, Ph.D., Water Resources Planner*

“Protecting and restoring watersheds improves water supply and quality.”—*Esther Feldman, Community Conservation Solutions*

“Damages from flooding and erosion will be reduced, while streams and rivers will be improved with green spaces and trails.”—*Ann Riley, Ph.D., Water Resources Planner*

“This measure will help protect our local food supply so we can continue to enjoy fresh fruit, rice, milk, and other locally grown farm products.”—*Carol Chandler, Peach Grower*

“Proposition 3 will improve the quality of our watersheds, helping prevent devastating wildfires, and recover from past wildfires.”—*Barbara Balen, Mountain Counties Water Resources Association*

“California’s environment and economy rely on a clean and reliable water supply. That’s why environmental and business organizations like the California Chamber of Commerce, Bay Area Council, Ducks Unlimited, Silicon Valley Leadership Group, Natural Heritage Institute, and Valley Industry and Commerce Association support Proposition 3.”—*Alan Zarembeg, California Chamber of Commerce*

“California’s wildlife and communities depend upon reliable clean water. Prop. 3 provides safe drinking water and long-term drought relief by cleaning up contaminated waterbodies, restoring forests and wetlands, and improving fisheries and aquatic habitats.”—*Collin O’Mara, National Wildlife Federation*

Local water districts support Proposition 3 because it provides safe, reliable and clean drinking water.

Yes on 3!

DYAN WHYTE, Water Quality Scientist

JANET SANTOS COBB

California Wildlife Foundation

ROBERTO RAMIREZ, Water Resources Engineer

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 3 ★

“Secure a safe, reliable and clean water supply” says the proponents’ argument. But the money thrown at a multitude of proposals will not produce one drop of new water.

New water comes from the sky—rain on the lowlands and snow on the mountains. The only way to collect and store rain and snowmelt is with suitably-placed dams on our major rivers. Prop. 3 doesn’t fund even one dam.

Not only that, but dams gradually fill with silt (rocks and dirt). Over time, they’re able to store less water, are dangerous if they collapse, and take time and money to remove the silt. Some older dams have been taken down for those reasons. Prop. 3 provides money to remove silt from one dam—just one. Other sections of the measure specifically forbid using funds to remove silt—

restrictions that make no sense if we’re trying to store water.

Prop. 3 claims to solve one of California’s major problems—our chronic shortage of water. Don’t be misled. Nothing in the measure will accomplish that. It’s basically a scheme to collect a lot of money for special interests.

We, our children, and our grandchildren will pay for it.

JANET S. ROBERTS, President

Central Solano Citizen/Taxpayer Group

ROBERT D. JARVIS, Vice President

Central Solano Citizen/Taxpayer Group

MURRAY T. BASS, Member

Central Solano Citizen/Taxpayer Group

★ ARGUMENT AGAINST PROPOSITION 3 ★

Does Prop. 3 look familiar? It should.

We saw a water-related measure on the June ballot, with similar words. In fact, since 1996, there have been eight statewide bond measures committing money to water issues. So far the total amount is more than 29 Billion Dollars!

What do we have to show for all that money? Not one thing that will get us more water.

California is basically a desert. Without dams collecting rain and snow-melt from the mountains, extensive agriculture in the Central Valley would not exist. Our cities would be a fraction of their present populations.

Despite a decades-long drought, not one penny of that \$29 Billion went to build a new dam. The near-catastrophic failure at northern California's Oroville Dam last year showed that the State doesn't even take care of its existing dams.

Instead of projects that would capture or store more of the precious precipitation that California gets, officials pander to special interests and pour millions of dollars into parks, hiking trails, wildlife—like a little bait-fish in the Sacramento River—and things that have nothing to do with solving the State's water shortages. Half the water in our rivers just runs into the Pacific Ocean.

Politicians tried to prove that they're serious about conserving water; they passed a law requiring cities to clamp down on us water-wasters. At the end of 2020, we'll be limited to 55 gallons per resident per day for indoor residential use. And to make sure we get the message, the allowance drops to 50 gallons in 2030. What happens to our trees and landscaping?

If you don't have greenery in your yard and think the problem doesn't affect you, drive down I-5 in the

San Joaquin Valley. You'll see huge areas of bare land where farmers don't have the water to keep their trees and crops alive. Farms which feed much of the Nation have been hit by politically-driven water policies and lack of foresight.

How do the proponents of Prop. 3 want to spend \$8.9 Billion? Pretty much like before.

You can read the details; but note that—again—there isn't one penny for a new dam. A little more than \$4 Billion—almost half—is going to “disadvantaged communities” with no explanation of who or where they are.

Let's get to the important thing. *How much is this going to cost us?*

Number-crunchers estimate that interest on the bonds will almost double the total amount that has to be paid to the lenders. In other words, paying back the \$8.9 Billion Dollar “loan” will cost the State—that's us taxpayers—about \$17.3 Billion. It averages out to about \$433 Million per year for 40 years. That has to mean more taxes!

Do we want to give politicians another \$9 Billion Dollars to do the same things that haven't gotten us one drop of water? And the money coming out of our pockets?

Think about it. No on Prop. 3!

JANET S. ROBERTS, President
 Central Solano Citizen/Taxpayer Group

ROBERT D. JARVIS, Vice President
 Central Solano Citizen/Taxpayer Group

MURRAY T. BASS, Member
 Central Solano Citizen/Taxpayer Group

★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 3 ★

“Proposition 3 protects disadvantaged communities by providing funding for clean, safe drinking water. Proposition 3 moves us closer to guaranteeing every Californian's basic human right to water.”—*Susana de Anda, Community Water Center*

Bonds finance schools, hospitals, and clean water, just like we use mortgages to buy homes. California's bond ratings are the strongest in years. This is a good time to invest.

Proposition 3 will repair Oroville Dam.

“Restoring our mountain and urban watersheds will improve their water storage capacity, and the quality of the water they produce. This is a key way we can capture stormwater that would otherwise be lost. Everyone from rural county residents to city dwellers will benefit.”—*Cindy Montanez, TreePeople*

“California's agricultural bounty, including our fresh fruits and vegetables, milk, wine and hundreds of other crops, depends on a reliable and balanced surface and groundwater supply. Proposition 3 will provide that supply, while protecting the environment.”—*Joy Sterling, Iron Horse Vineyards*

Proposition 3 provides enough water for 3 million families, family farmers, and California's fish and wildlife.

Climate change will worsen the inevitable next drought. Proposition 3 gets California ready for drought without raising taxes.

“Proposition 3 creates good jobs throughout California by building and operating badly needed water projects.”—*Bill Whitney, Contra Costa State Building and Construction Trades Council*

Proposition 3 restores watersheds and reduces fire danger.

“We know how vulnerable California is to drought. The bond makes prudent investments to protect our water supply and to restore wildlife habitat.”—*Senator Dianne Feinstein*

Yes on 3!

PHIL ANGELIDES, Former California State Treasurer

HOWARD PENN
 Planning and Conservation League

JEANNE PINCHA-TULLEY, Fire Chief

AUTHORIZES BONDS FUNDING CONSTRUCTION AT HOSPITALS PROVIDING CHILDREN’S HEALTH CARE. INITIATIVE STATUTE.

OFFICIAL TITLE AND SUMMARY

PREPARED BY THE ATTORNEY GENERAL

The text of this measure can be found on the Secretary of State’s website at <http://voterguide.sos.ca.gov>.

- Authorizes \$1.5 billion in bonds, to be repaid from state’s General Fund, to fund grants for construction, expansion, renovation, and equipping of qualifying children’s hospitals.
- Designates 72 percent of funds to qualifying private nonprofit hospitals providing comprehensive services to high volumes of children eligible for governmental programs and children with special health needs eligible for the California Children’s Services program, 18 percent of funds to University of California general acute care children’s hospitals, and 10 percent of funds

to public and private nonprofit hospitals providing services to children eligible for the California Children’s Services program.

SUMMARY OF LEGISLATIVE ANALYST’S ESTIMATE OF NET STATE AND LOCAL GOVERNMENT FISCAL IMPACT:

- Increased state costs to repay bonds averaging about \$80 million annually over the next 35 years.

State Bond Cost Estimates	
Authorized new borrowing	\$1.5 billion
Average annual cost to pay off bonds	\$80 million
Likely repayment period	35 years
Source of repayment	General tax revenues

ANALYSIS BY THE LEGISLATIVE ANALYST

BACKGROUND

Children’s Hospitals. State law identifies eight private nonprofit hospitals and the children’s programs at the five University of California (UC) academic medical center campuses as “children’s hospitals.” Children’s hospitals focus on treating infants and children with severe illness or injuries, or complex chronic health conditions that require specialized

care. Many children receiving services in these hospitals are from low-income families. Children’s hospitals receive funding from several sources. A majority of children’s hospitals’ funding comes from the federal-state Medicaid program (known as Medi-Cal in California), which provides health care coverage to low-income children in the state. Children’s hospitals also receive funding from commercial

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

health insurance coverage, other government health care coverage programs, and private donations.

California Children's Services (CCS) Program. The CCS program is a state-local health care coverage program that pays for specialized treatment and other services for children with complex chronic health conditions, including many children treated at children's hospitals. (Most children in the CCS program are also enrolled in Medi-Cal.) The state approves hospitals and other medical providers to receive payment for treating children in the CCS program.

Other Hospitals Also Treat Children. Other hospitals in California that are not specifically identified as children's hospitals in state law also focus to varying degrees on children's health care. For example, some hospitals have wings or centers that specialize in treating children. These hospitals are often approved to treat children in the CCS program.

General Obligation Bonds. The state borrows money to pay for long-term capital projects by issuing general obligation bonds. The repayment of these bonds is guaranteed by the state's general taxing power. The state repays general obligation bonds from the General Fund, the state's main operating account. (For more information on the state's use of

bonds, see "An Overview of State Bond Debt" later in this guide.)

Previous Children's Hospital Bond Measures. Voters have previously approved two statewide measures that authorized the state to issue general obligation bonds to pay for capital projects at children's hospitals. These bonds have been used for a variety of projects including the construction of new buildings and the renovation of existing buildings. In 2004, Proposition 61 provided \$750 million in bond funding. In 2008, Proposition 3 provided \$980 million in bond funding. Only the 13 hospitals specifically identified as children's hospitals in state law are eligible to receive funds under these previous measures. As of May 2018, most of the funding from the previous two measures had been committed to projects, with the remaining funds expected to be fully committed by the end of summer 2018.

PROPOSAL

Authorizes Additional Bonds for Children's Hospitals. This measure authorizes the state to sell an additional \$1.5 billion in general obligation bonds for capital improvement projects at (1) the 13 children's hospitals and (2) other public or private nonprofit hospitals that treat children eligible for the CCS

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

Figure 1
Hospitals Eligible for Bond Funds
(In Millions)

Private Nonprofit Children's Hospitals—72 Percent of Funds	\$1,080
Children's Hospital and Research Center, Oakland	\$135
Children's Hospital of Los Angeles	135
Children's Hospital of Orange County	135
Earl and Loraine Miller Children's Hospital (Long Beach)	135
Loma Linda University Children's Hospital	135
Lucile Packard Children's Hospital at Stanford	135
Rady Children's Hospital, San Diego	135
Valley Children's Hospital (Madera)	135
University of California Children's Hospitals—18 Percent of Funds	\$270
Mattel Children's Hospital at University of California, Los Angeles	\$54
University Children's Hospital at University of California, Irvine	54
University of California, Davis Children's Hospital	54
University of California, San Diego Children's Hospital	54
University of California, San Francisco Children's Hospital	54
Other Hospitals—10 Percent of Funds	\$150
Roughly 150 public or private nonprofit hospitals that provide services to children eligible for the California Children's Services program.	\$150
Total	\$1,500

program. As shown in Figure 1, the measure provides 72 percent of the bond funds—roughly \$1.1 billion—to the eight private nonprofit children's hospitals. Each of these eight hospitals may apply for an equal share of this funding. The measure provides 18 percent of the bond funds—\$270 million—to the five UC children's hospitals. Each UC children's hospital may apply for an equal share of this funding. The measure makes available the

remaining 10 percent of bond funds—\$150 million—to roughly 150 other public or private nonprofit hospitals that provide services to children who are eligible for the CCS program. The measure does not set aside specific shares of this portion of bond funds for individual hospitals.

Use of Funds. The measure allows for the money raised from bond sales to be used for various purposes, including “construction, expansion, remodeling, renovation, furnishing,

equipping, financing, or refinancing of eligible hospitals in the state.” The measure requires that the funds provided not exceed the total cost of a project and funded projects be completed within a “reasonable period of time.”

Application Process. Children's hospitals eligible to receive bond funds under this measure would apply for funds to the California Health Facilities Financing Authority (CHFFA), an existing state agency.

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

CHFFA would decide whether to award a grant based on several factors. Some of these factors include whether:

- The grant would contribute toward the expansion or improvement of health care access for children who are eligible for governmental health insurance programs or who are low-income, underserved, or uninsured.
- The grant would contribute to the improvement of child health care or pediatric patient outcomes.
- The applicant hospital would promote pediatric teaching or research programs.

FISCAL EFFECTS

State Bond Repayment Costs. This measure would allow the state to borrow \$1.5 billion by selling additional general obligation bonds to investors, who would be repaid, with interest, using the state's general tax revenues. The cost of these bonds would depend on various factors—

such as the interest rates in effect at the time they are sold, the timing of bond sales, and the time period over which they are repaid. We estimate that the cost to taxpayers to repay the bonds would total \$2.9 billion to pay off both the principal (\$1.5 billion) and interest (\$1.4 billion). This would result in average repayment costs of **about \$80 million annually over the next 35 years**. This amount is less than one-tenth of 1 percent of the state's current General Fund budget. Administrative costs, paid from the bond funds, would be limited to CHFFA's actual costs or 1 percent of the bond funds, whichever is less.

Visit <http://www.sos.ca.gov/campaign-lobbying/cal-access-resources/measure-contributions/2018-ballot-measure-contribution-totals/> for a list of committees primarily formed to support or oppose this measure. Visit <http://www.fppc.ca.gov/transparency/top-contributors/nov-18-gen.html> to access the committee's top 10 contributors.

If you desire a copy of the full text of the state measure, please call the Secretary of State at (800) 345-VOTE (8683) or you can email vigfeedback@sos.ca.gov and a copy will be mailed at no cost to you.

★ ARGUMENT IN FAVOR OF PROPOSITION 4 ★

There are eight California not-for-profit Children's Hospitals and five more University of California Children's Hospitals. *Over two million times each year, seriously ill children receive highly specialized care in a California Children's Hospital. No matter what a family can pay.* Children with complex medical conditions and life threatening diseases. Cancer. Sickle Cell. Cystic Fibrosis.

We perform 97% of all pediatric organ transplants, 96% of all pediatric heart surgeries, and 76% of all pediatric cancer treatments.

With each new research breakthrough, new life-saving technology, the finest pediatric specialists, cures happen every single day at California's Children's Hospitals. Today, 85% of children with leukemia leave our hospitals cured.

As premier pediatric research centers, we are making breakthroughs that keep every California child healthy without ever needing to walk through our doors.

Because of our success, the demand on us grows. *We've become regional hubs, with children now referred to us from many other hospitals in California.*

Proposition 4 asks voters to consider investing less than \$40 per year for each patient we see . . . money to help us build more capacity to cure more California children.

14 years ago, Californians supported our first bond. We have honored that trust ever since. Every dollar has been spent on building new facilities, modernizing older ones, adding more beds and purchasing the best and most advanced medical technology . . . curing more children.

The State Treasurer's Office administers all state bond funds, but testified to the Senate and Assembly Health Committees that "this program in particular has been very successful."

We take great professional pride in what we do. As human beings we are privileged to witness the innocent strength in children, the love in their families, the resolve in our staffs, the generosity of our benefactors, and the triumph of the human spirit.

We invite you to join the millions of California voters who have supported Children's Hospitals. We can all vote Yes on Proposition 4—Building to Cure More Children.

JAMES STEIN, M.D., Pediatric Surgeon
MARIA MINON, M.D., Chief Medical Officer
ROBERTO GUGIG, M.D., Pediatric Gastroenterologist

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 4 ★

Over many decades, I have submitted arguments against ballot measures to ensure that voters receive some counter-considerations.

THE UNFAIR PROPERTY TAX SYSTEM

One objection to any measure proposing an increase in property taxes is that the property tax system in California is unfair (as explained in the primary argument).

CHANGING THE SYSTEM TO MAKE IT MORE FAIR

Our property tax system could be changed, for example, to periodically reassess all real property but automatically lower the tax rate so that overall tax revenue does not increase just because real estate values go up.

Of course, one difficulty in making any change is that different persons and businesses have different VESTED INTERESTS in maintaining the status quo.

LOOKING MORE BROADLY AT IMPROVING HEALTH CARE

As to this particular measure (borrowing money to further subsidize children hospitals), I suggest we first look at improving the entire health care system.

While there are many outstanding professionals providing health care in America (and California), the USA spends the most but is far from the top of international rankings in health care outcomes. In addition, millions of Californians do not even have basic health care coverage.

ASKING THE CANDIDATES FOR STATE OFFICES

Perhaps the candidates for state office in November—including for Governor—have some ideas for improving health care in California. Let's ask.

GARY WESLEY

★ ARGUMENT AGAINST PROPOSITION 4 ★

This is another general obligation bond measure. It asks voters' permission for the State of California to borrow more money by selling "bonds" that would need to be repaid with interest (*potentially through higher property taxes*) usually over many decades.

I say "*potentially*" because sometimes bond proceeds are used for financing but repaid by program recipients—such as homeowners under the former Cal-Vet home-farm loan program.

Bond measures present several questions:

1. How far in debt is the government already?
2. What is the expected total cost of the measure to the public?
3. Are the proposed uses for the money specified?
4. Are the proposed uses justified—given other things that may be needed or desired?
5. Should voters continue to finance projects through higher property taxes when California's property tax system is so unfair?

CALIFORNIA'S PROPERTY TAX SYSTEM IS UNFAIR

In 1978, California voters approved a voter initiative then-known as Proposition 13. The

initiative added provisions to the California Constitution that prevented the "*re-assessment*" of real property unless and until the property changes hands or is substantially rebuilt.

Proposition 13 has protected real property owners from steep tax increases based on higher property values; however, it has also created a system in which new homeowners pay 10–20 times more than their neighbors whose property has like value but was obtained long ago.

In addition, because business property can be and is often leased (instead of sold), Proposition 13 has led to a massive shift of the overall property tax burden from businesses to homeowners.

The proponents of a ballot measure should bear the burden of explaining why it is worthy of support—given the full cost, available alternatives and other needs and wants.

In this case, the proponents should use their REBUTTAL to answer questions 1–5 above.

GARY WESLEY

★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 4 ★

Proposition 4 helps over 2 million sick children every year. It has nothing to do with property taxes or Proposition 13. We asked the experts and here's what they said:

Joe Harn, El Dorado County Auditor-Controller states,

"Not one dollar for Proposition 4 will come from property taxes. Not one dollar for any previous children's hospital bond has come from property taxes. Every State Treasurer, State Controller, County Assessor, or Tax Collector (in either political party) will testify to that fact. I am recognized as one of California's most

conservative and tight-fisted County Auditor-Controllers. You can protect Proposition 13 and vote Yes on Proposition 4."

Jon Coupal, President of the Howard Jarvis Taxpayers Association says,

"Proposition 13 has protected homeowners for over 40 years. This measure does NOT threaten the protections afforded California homeowners by Proposition 13 at all."

Please Vote Yes on Proposition 4.

ANN-LOUISE KUHNS, President
California Children's Hospital Association

CHANGES REQUIREMENTS FOR CERTAIN PROPERTY OWNERS TO TRANSFER THEIR PROPERTY TAX BASE TO REPLACEMENT PROPERTY. INITIATIVE CONSTITUTIONAL AMENDMENT AND STATUTE.

OFFICIAL TITLE AND SUMMARY

PREPARED BY THE ATTORNEY GENERAL

The text of this measure can be found on the Secretary of State's website at <http://voterguide.sos.ca.gov>.

- Removes the following current requirements for homeowners who are over 55 years old or severely disabled to transfer their property tax base to a replacement residence: that replacement property be of equal or lesser value, replacement residence be in specific county, and the transfer occur only once.
- Removes similar replacement-value and location requirements on transfers for contaminated or disaster-destroyed property.
- Requires adjustments to the replacement property's tax base, based on the new property's value.

SUMMARY OF LEGISLATIVE ANALYST'S ESTIMATE OF NET STATE AND LOCAL GOVERNMENT FISCAL IMPACT:

- Schools and other local governments each probably would lose over \$100 million in annual property tax revenue in the first few years, growing over time to about \$1 billion per year (in today's dollars). Similar increase in state costs to backfill school property tax losses.

ANALYSIS BY THE LEGISLATIVE ANALYST

BACKGROUND

Local Governments Levy Taxes on Property Owners. California local governments—cities, counties, schools, and special districts—levy property taxes on property owners based on the value of their property. Property taxes are a major revenue source for local governments, raising over \$60 billion per year.

Calculating a Property Owner's Tax Bill.

Each property owner's annual property tax bill is equal to the taxable value of his or her property multiplied by the property tax rate. The typical property owner's property tax rate is 1.1 percent. In the year a property is purchased, its taxable value is its purchase price. Each year

after that the property's taxable value is adjusted for inflation by up to 2 percent. This continues until the property is sold and again is taxed at its purchase price.

Movers Often Face Increased Property Tax Bills.

The market value of most homes (what they could be sold for) grows faster than 2 percent annually. This means the taxable value of most homes is less than their market value. Because of this, when a homeowner buys a different home, the purchase price of the new home often exceeds the taxable value of the buyer's prior home (even when the homes have similar market values). This leads to a higher property tax bill for the home buyer.

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

Special Rules for Some Homeowners. In some cases, special rules allow existing homeowners to move to a different home without paying higher property taxes. These special rules apply to homeowners who are over 55 or severely disabled or whose property has been impacted by a natural disaster or contamination. (We refer to these homeowners as “eligible homeowners.”) When moving within the same county, an eligible homeowner can transfer the taxable value of his or her existing home to a different home if the market value of the new home is the same or less than the existing home. Also, a county government may allow eligible homeowners to transfer their taxable values to homes in the county from homes in different counties. Ten counties allow these transfers. Except in limited cases, homeowners who are over 55 or severely disabled can transfer their taxable value once in their lifetime. The nearby box (“What Happens Under Current Law?”) has an example of how these rules work.

Other Taxes on Home Purchases. Cities and counties collect taxes on the transfer of homes and other real estate. Statewide, transfer taxes raise around \$1 billion for cities and counties.

Counties Administer the Property Tax. County assessors determine the taxable value of property. Statewide, county spending for assessors’ offices totals around \$600 million each year.

California Taxes Personal Income. The state collects a personal income tax on income earned within the state. Taxable income can include profits from selling a home. The personal income tax raises over \$80 billion each year.

PROPOSAL

Expands Special Rules for Eligible Homeowners. The measure amends the State Constitution to expand the special rules that give property tax savings to eligible homeowners when they buy a different home. Beginning January 1, 2019, the measure:

What Happens Under Current Law?

A 55 year old couple purchased their home 30 years ago for \$110,000. Their home’s taxable value is now \$200,000 (\$110,000 increased by 2 percent each year for 30 years). Their yearly property tax bill is \$2,200 (1.1 percent of the taxable value). Their home now could be sold for \$600,000. The couple is considering moving to one of two different homes.

- **More Expensive Home.** The first option is to move to a home that costs \$700,000. This move is not eligible for the special rules because the new home is more expensive than the existing home. If the couple made this move, the taxable value of their new home would be \$700,000 (the home’s purchase price). Their yearly property tax bill would increase to \$7,700.
- **Less Expensive Home.** The second option is to move to a home that costs \$450,000. In this case, the special rules would apply. Their new home’s taxable value would be \$200,000 (the same as their old home). Their yearly property tax bill would remain \$2,200.

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

- **Allows Moves Anywhere in the State.** Eligible homeowners could transfer the taxable value of their existing home to another home anywhere in the state.

- **Allows the Purchase of a More Expensive Home.** Eligible homeowners could transfer the taxable value of their existing home (with some adjustment) to a more expensive home. The taxable value transferred from the existing home to the new home is adjusted upward. The new home's taxable value is greater than the prior home's taxable value but less than the new home's market value. An example is shown in the nearby box ("What Happens Under Proposition 5?").

- **Reduces Taxes for Newly-Purchased Homes That Are Less Expensive.** When an eligible homeowner moves to a less expensive home, the taxable value transferred from the existing home to the new home is adjusted downward. An example is shown in the nearby box ("What Happens Under Proposition 5?").

- **Removes Limits on How Many Times a Homeowner Can Use the Special Rules.** There is no limit on the number of times an eligible homeowner can transfer their taxable value.

What Happens Under Proposition 5?

Using the same couple from the earlier example, their current home has a taxable value of \$200,000 and a market value of \$600,000. If they move, the taxable value of their new home would be:

- **More Expensive Home.** If the couple buys the home for \$700,000, the new home's taxable value would be \$300,000 (as shown below). Their yearly property tax bill would be \$3,300. This is more than they paid at their prior home (\$2,200) but much less than they would pay under current law (\$7,700).

$$\begin{array}{r}
 \$300,000 \\
 \left[\begin{array}{l} \text{New home's} \\ \text{taxable value} \end{array} \right]
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 \$600,000 \\
 \left[\begin{array}{l} \text{Prior home's} \\ \text{market value} \end{array} \right]
 \end{array}$$

- **Less Expensive Home.** If the couple buys the home for \$450,000, the new home's taxable value would be \$150,000 (as shown below). Their yearly property tax bill would be \$1,650. This is less than what they paid at their prior home and what they would pay under current law (\$2,200).

$$\begin{array}{r}
 \$150,000 \\
 \left[\begin{array}{l} \text{New home's} \\ \text{taxable value} \end{array} \right]
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 75\% \\
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 \begin{array}{r}
 \$600,000 \\
 \left[\begin{array}{l} \text{Prior home's} \\ \text{market value} \end{array} \right]
 \end{array}$$

FISCAL EFFECTS

Reduced Property Tax Revenues to Local Governments. The measure could have multiple effects on property tax revenue:

- **Reduced Taxes From People Who Would Have Moved Anyway.** Right now, about 85,000 homeowners who are over 55 move to different houses each year without receiving a property tax break. Most of these movers end up paying higher property taxes. Under the measure, their property taxes would be much lower. This would reduce property tax revenue.
- **Potentially Higher Taxes From Higher Home Prices and More Home Building.** The measure would cause more people to sell their homes and buy different homes because it gives

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

them a tax break to do so. The number of movers could increase by a few tens of thousands. More people being interested in buying and selling homes would have some effect on home prices and home building. Increases in home prices and home building would lead to more property tax revenue.

The revenue losses from people who would have moved anyway would be bigger than the gains from higher home prices and home building. This means the measure would reduce property taxes for local governments. In the first few years, schools and other local governments each probably would lose over \$100 million per year. Over time, these losses would grow, resulting in schools and other local governments each losing about \$1 billion per year (in today's dollars).

More State Spending for Schools. Current law requires the state to provide more funding to most schools to cover their property tax losses. As a result, state costs for schools would increase by **over \$100 million** per year in the first few years. Over time, these increased state costs for schools would grow to **about \$1 billion** per year in today's dollars. (This is less than 1 percent of the state budget.)

Increase in Property Transfer Tax Revenues. As the measure would increase home

sales, it also would increase property transfer taxes collected by cities and counties. This revenue increase likely would be in the tens of millions of dollars per year.

Increase in Income Tax Revenues. Because the measure would increase the number of homes sold each year, it likely would increase the number of taxpayers required to pay income taxes on the profits from the sale of their homes. This probably would increase state income tax revenues by tens of millions of dollars per year.

Higher Administrative Costs for Counties. County assessors would need to create a process to calculate the taxable value of homes covered by this measure. This would result in one-time costs for county assessors in the **tens of millions of dollars** or more, with somewhat smaller ongoing cost increases.

Visit <http://www.sos.ca.gov/campaign-lobbying/cal-access-resources/measure-contributions/2018-ballot-measure-contribution-totals/> for a list of committees primarily formed to support or oppose this measure. Visit <http://www.fppc.ca.gov/transparency/top-contributors/nov-18-gen.html> to access the committee's top 10 contributors.

If you desire a copy of the full text of the state measure, please call the Secretary of State at (800) 345-VOTE (8683) or you can email vigfeedback@sos.ca.gov and a copy will be mailed at no cost to you.

★ ARGUMENT IN FAVOR OF PROPOSITION 5 ★

PROP. 5 GIVES ALL SENIORS (55+) AND SEVERELY DISABLED THE RIGHT TO MOVE WITHOUT PENALTY
PROP. 5, the Property Tax Fairness Initiative, eliminates the “moving penalty” that exists today in order to protect seniors (55+) and severely disabled people who want to move to safer, more practical homes or closer to their families. PROP. 5 limits the property tax penalties they could face if they purchase another home in any county of the state.

PROP. 5 ELIMINATES MOVING CHALLENGES FOR SENIORS (55+)

Millions of California seniors live in homes that are inadequate for their needs—whether too big, too many stairs, or simply too far away from their family and loved ones. Under PROP. 5, senior homeowners (age 55+) would be able to transfer their home’s current taxable value, no matter where in the state they might choose to move.

PROP. 5 EMPOWERS RETIREES LIVING ON FIXED INCOMES

Most retirees live on a fixed income, often from a pension and/or Social Security. PROP. 5 eliminates the possibility of a 100%, 200%, or even 300% increase in property taxes that retired teachers, firefighters, police, and other retirees often have to pay if they want to sell their current home to buy another one somewhere else in California.

PROP. 5 PROTECTS AGAINST PROPERTY TAX BASE “MOVING PENALTY”

Under current California law, property taxes are capped at a small percentage of the value of the property when purchased. This becomes known as the property’s “tax base.” In addition, there is a limit on how much property taxes can increase annually. Seniors and the severely disabled are often on fixed incomes and can’t afford

large property tax increases. But if they choose to move to a new home, their “tax base” will often increase dramatically due to the rise in home prices over the past several decades. PROP. 5 protects these Californians from this “moving penalty” by allowing them to keep a lower, fairer tax base.

PROP. 5 EXTENDS THE BENEFITS OF PROP. 13, BRINGS TAX STABILITY AND PEACE OF MIND

PROP. 5 eliminates the “moving penalty” that exists today that is contributing to the housing shortage in California. Just as Prop. 13 (1978) prevented millions of seniors from being taxed out of their homes, PROP. 5 will help millions more today. PROP. 5 will help alleviate the housing shortage and will bring tax stability and peace of mind for millions of middle-class and working-class families throughout California.

PROP. 5 EMPOWERS SEVERELY DISABLED PEOPLE TRAPPED IN INADEQUATE HOMES

Many severely disabled people in California live in homes that are no longer safe or practical for them, but they cannot afford to move because their property taxes could skyrocket if they buy a new home elsewhere in California. This could happen even if they move to a less expensive home. Under PROP. 5, severely disabled homeowners would be able to move to more suitable homes without being subjected to the “moving penalty.”

PENNY LILBURN, Executive Director
Highland Senior Center

KYLE MILES, Commander
AMVETS Department of California

SUSAN CHANDLER, President
Californians for Disability Rights, Inc.

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 5 ★

PROP. 5 DOES NOTHING TO HELP MOST LOW-INCOME SENIORS BUT DOES HELP CORPORATE REAL ESTATE INTERESTS WHO ARE FUNDING IT.

Real estate interests behind Prop. 5 are trying to scare seniors with lies. Current law *already* allows seniors and severely disabled taxpayers to keep a property tax break when they move. Prop. 5 is different—it’s a new tax break for the highest incomes who keep buying bigger, more expensive homes after 55.

“How dare real estate interests use seniors and people with disabilities as pawns to sell more, expensive homes,” said Gary Passmore, President of Congress of California Seniors. “Seniors can already retire on their home equity without any ‘moving penalty.’ They made that up. Vote NO on Prop. 5!”

Prop. 5 puts fire protection, health care, and our schools at risk because it drains upwards of \$1 BILLION from cities and counties.

Younger Californians struggle to purchase their first homes. Many seniors, people with disabilities, and

families cannot afford a safe apartment. It’s wrong for the real estate interests behind this measure to make housing even MORE EXPENSIVE.

“As a retired teacher, I’m worried about paying my mortgage and holding on to some of my retirement to help my kids. Prop. 5 isn’t going to help me at all, and they shouldn’t say it will,” said retired elementary school teacher Melinda Dart.

Prop. 5 is opposed by teachers, nurses, firefighters, and housing and senior advocates because it’s a scam. Please join us in voting NO on 5.

NAN BRASMER, President
California Alliance for Retired Americans

HELEN L. HUTCHISON, President
League of Women Voters of California

TIM GAGE, Former Director
California Department of Finance

★ ARGUMENT AGAINST PROPOSITION 5 ★

VOTE NO ON PROP. 5

We urge a NO on Prop. 5 for one simple reason. We have a terrible affordable-housing crisis in California, and Prop. 5 will do NOTHING to make this crisis better.

What Prop. 5 will do:

- Prop. 5 will further raise the cost of housing.
- Prop. 5 will lead to hundreds of millions of dollars and potentially \$1 billion in local revenue losses to our public schools.
- Prop. 5 will cost local services, including fire, police, and health care, up to \$1 billion in revenue losses.
- Prop. 5 gives a huge tax break to wealthy Californians.
- Prop. 5 gives a huge windfall to the real estate industry, the ONLY sponsor of the initiative.

We urge a No on Prop. 5 because of what it does NOT do:

- It does NOT build any new housing.
- It does NOT help first-time homebuyers.
- It does NOT bring down the cost of rent.
- It does NOT address homelessness.

Housing advocates are clear: “Prop. 5 does nothing for affordable housing, and will even make the current situation worse,” says Shamus Roller of the National Housing Law Project, a champion for affordable housing.

For the last 30 years, older homeowners who move to a smaller and less expensive house have been able to bring their current property tax with them, an encouragement to leave a larger and more expensive home to a younger family. These homeowners can do this *once* in their lifetime. This was an extension of Prop. 13.

But Prop. 5 changes this equation. If it’s passed, a homeowner over 55 can use their tax break to keep

buying more expensive houses, over and over, anywhere in California. Meanwhile, younger, first-time home buyers with less income will face higher housing prices, and renters will have an even harder time becoming homeowners.

The nonpartisan California Legislative Analyst says Prop. 5 will cause massive revenue losses at the local level. That’s why firefighters, teachers, and nurses all say No on Prop. 5. This initiative will result in reductions to critical public services including fire protection, police protection, and health care. Public school funding comes primarily from local property taxes. Prop. 5 means less local revenue for our public schools.

“Fighting the wildfires that have plagued our communities in the past few years requires more—not less—local resources. We just can’t afford Prop. 5,” says Brian Rice, President of California Professional Firefighters.

The real estate interests who cynically paid to put Prop. 5 on the ballot have decided to pit some homeowners against others. Why? You’ll have to ask them. But we think it must have something to do with their profits.

We can’t afford Prop. 5. Please join us in voting No.

Learn more at www.noprop5.com

CAROL KIM, Board Member
Middle Class Taxpayers Association

SHAMUS ROLLER, Executive Director
National Housing Law Project

GARY PASSMORE, President
Congress of California Seniors

★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 5 ★

PROP. 5 HELPS CALIFORNIANS WHO WANT THE OPPORTUNITY TO MOVE

Prop. 5, the *Property Tax Fairness Initiative*, eliminates the “moving penalty” that currently hurts millions of seniors (55+) and severely disabled Californians who feel trapped in a home they no longer want or that is not right for their needs.

Prop. 5 allows these older Californians to sell their current home and purchase a new primary residence—without facing this property tax “moving penalty.” Prop. 5 frees up desperately needed housing for other families, including first-time homebuyers and renters.

PROP. 5 DOES NOT RAISE THE COST OF HOUSING

Nothing in this initiative raises the cost of housing.

PROP. 5 DOES NOT TAKE FUNDING AWAY FROM PUBLIC SAFETY

Nothing in this initiative takes funding away from fire departments, police, or healthcare.

PROP. 5 DOES NOT TAKE FUNDING AWAY FROM PUBLIC SCHOOLS

Nothing in this initiative takes funding away from public schools.

CALIFORNIA’S LEADING ECONOMISTS SAY PROP. 5 WILL INCREASE STATE REVENUES

An economic review of Prop. 5 conducted by two of the top economists in the state concluded that allowing seniors, the severely disabled, and disaster victims to move would likely increase tax revenues and provide more funds for vital public services.

If seniors can move to a new primary residence that better fits their needs (such as downsizing after children move away), their old homes will generate more tax revenue once sold to new buyers.

MARILYN MARKHAM, Board Member
California Senior Advocates League

TOM CAMPBELL, Ph.D., Professor of Economics

MICHAEL C. GENEST, Former Director
California Department of Finance

ELIMINATES CERTAIN ROAD REPAIR AND TRANSPORTATION FUNDING. REQUIRES CERTAIN FUEL TAXES AND VEHICLE FEES BE APPROVED BY THE ELECTORATE. INITIATIVE CONSTITUTIONAL AMENDMENT.

OFFICIAL TITLE AND SUMMARY

PREPARED BY THE ATTORNEY GENERAL

The text of this measure can be found on the Secretary of State's website at <http://voterguide.sos.ca.gov>.

- Repeals a 2017 transportation law's tax and fee provisions that pay for repairs and improvements to local roads, state highways, and public transportation.
- Requires the Legislature to submit any measure enacting specified taxes or fees on gas or diesel fuel, or on the privilege to operate a vehicle on public highways, to the electorate for approval.
- The requirement that voters approve new or increased fuel and vehicle taxes passed by the Legislature in the future could result in lower revenues from such taxes than otherwise would have been available.

SUMMARY OF LEGISLATIVE ANALYST'S ESTIMATE OF NET STATE AND LOCAL GOVERNMENT FISCAL IMPACT:

- Reduced ongoing state revenues of \$5.1 billion from the elimination of fuel and vehicle taxes

ANALYSIS BY THE LEGISLATIVE ANALYST

BACKGROUND

APPROVAL OF STATE TAXES

Legislative Requirements. Under the State Constitution, the Legislature can only pass a new tax or increase an existing tax with a two-thirds vote. (The Legislature can pass most other types of laws with a simple majority.) Some state charges referred to as fees (such as vehicle license fees) fall under the constitutional definition of a tax.

Voter Approval Requirements. The Legislature does not need to get voter approval for new or increased taxes that it passes. The voters—through the initiative process—can pass new taxes or increase existing taxes without the Legislature's involvement.

STATE FUEL AND VEHICLE TAXES

Fuel Taxes. The state charges excise taxes on gasoline and diesel fuel. These taxes are set on a per-gallon basis. The state also charges sales taxes on gasoline and diesel fuel. These taxes are set as a percent of the price of the fuel. The State Constitution generally requires that the revenues from these fuel taxes be spent on highways, roads, and transit.

Vehicle Taxes. State law requires vehicle owners to pay two specific taxes for the privilege of operating a vehicle on public highways. These are (1) vehicle license fees and (2) recently enacted transportation

improvement fees, both of which are based on a vehicle's value. The State Constitution requires that the transportation improvement fee revenues be spent on highways, roads, and transit.

TRANSPORTATION FUNDING IN CALIFORNIA

Transportation funding in California currently is estimated to total \$35 billion. Of this amount, \$16 billion comes from local sources, \$12 billion from state sources, and \$7 billion from federal sources. Local funding mainly comes from sales taxes, transit fares, and city and county general funds, while federal funding mainly comes from federal fuel taxes. State funding mainly comes from state fuel and vehicle taxes. State funding has increased by about three-quarters over the last two years mainly due to recent legislation.

Recent State Transportation Funding Legislation. In 2017, the Legislature enacted Senate Bill (SB) 1 to increase annual state funding for transportation through various fuel and vehicle taxes (shown in Figure 1). Specifically, SB 1 increased the base gasoline excise tax (by 12 cents per gallon) and the diesel sales tax (by 4 percent). It also set fixed rates on a second (add-on) gasoline excise tax and the diesel excise tax, both of which previously could change each year based on fuel prices. Further, SB 1 created the transportation improvement fee (which ranges from \$25 to \$175 per year) and a

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

fee specifically for zero-emission vehicles (set at \$100 per year for model years 2020 and later). It also provides for inflation adjustments in the future. This fiscal year, the state expects the taxes to raise \$4.4 billion. Two years from now, when all the taxes are in effect and the inflation adjustments have started, the state expects the taxes to raise \$5.1 billion. The State Constitution requires that nearly all of these new revenues be spent on transportation purposes. Senate Bill 1 dedicates about two-thirds of the revenues to highway and road repairs, with the remainder going to other programs (such as for mass transit).

PROPOSAL

Requires Legislature to Get Voter Approval for Fuel and Vehicle Taxes. Proposition 6 amends the State Constitution to require the Legislature to get voter approval for new or increased taxes on the sale, storage, use, or consumption of gasoline or diesel fuel, as well as for taxes paid for the privilege of operating a vehicle on public highways. Thus, the Legislature would need voter approval for such taxes as gasoline and diesel excise and sales taxes, vehicle license fees, and transportation improvement fees.

Eliminates Recently Enacted Fuel and Vehicle Taxes. Proposition 6 also eliminates any such fuel and vehicle taxes passed by the Legislature after January 1, 2017 and up to the date that Proposition 6 takes effect in December. This would eliminate the increased fuel taxes and the transportation improvement fees enacted by SB 1.

FISCAL EFFECTS

Eliminates Tax Revenues From SB 1. In the current fiscal year, Proposition 6 would reduce SB 1 tax revenues from \$4.4 billion to \$2 billion—a \$2.4 billion decrease. (The \$2 billion in remaining revenues would be from taxes collected prior to Proposition 6 taking effect in December.) Two years from now, the revenue reduction would total \$5.1 billion annually. The funding reductions would mainly affect highway and road maintenance and repair programs, as well as transit programs.

Makes Passage of Specified Fuel and Vehicle Taxes More Difficult. Proposition 6 would make it more difficult to enact specified fuel and vehicle taxes because voters also would have to approve them. As a result, there could be less revenue than otherwise would be the case. Any reduction in revenues is unknown, as it would depend on future actions by the Legislature and voters.

Visit <http://www.sos.ca.gov/campaign-lobbying/cal-access-resources/measure-contributions/2018-ballot-measure-contribution-totals/> for a list of committees primarily formed to support or oppose this measure. Visit <http://www.fppc.ca.gov/transparency/top-contributors/nov-18-gen.html> to access the committee's top 10 contributors.

If you desire a copy of the full text of the state measure, please call the Secretary of State at (800) 345-VOTE (8683) or you can email vigfeedback@sos.ca.gov and a copy will be mailed at no cost to you.

Figure 1

Senate Bill 1 Revenues

	Tax Rates		Annual Revenues (In Billions)	
	Prior Rates	New Rates	Current Year	In Two Years
Gasoline Taxes				
Excise (base)	18 cents	30 cents	\$1.9	\$2.1
Excise (add-on)	Varied ^a	17.3 cents	— ^b	0.2
Diesel Taxes				
Excise	Varied ^c	36 cents	0.7	0.7
Sales	1.75 percent	5.75 percent	0.3	0.4
Vehicle Taxes				
Transportation improvement fee	—	\$25 to \$175	1.5	1.6
Zero-emission vehicle fee	—	\$100	— ^b	— ^d
Totals			\$4.4	\$5.1

^a Set annually based on prices. Current rate is 11.7 cents but rate has ranged from 9.8 cents to 21.5 cents in the past.
^b New rate not yet in effect.
^c Set annually based on prices. Most recent rate was 16 cents but rate has ranged from 10 cents to 18 cents in the past.
^d \$48 million.

★ ARGUMENT IN FAVOR OF PROPOSITION 6 ★

Vote YES on Proposition 6 to *immediately lower the price you pay for gasoline.*

Prop. 6 does two things. It repeals the massive increase in gas, diesel and car taxes imposed by the Legislature just last year. Second, it requires voter approval for any future attempt by the Legislature to do it again. That's it.

Here's why Prop. 6 deserves your YES vote:

FACT: California's cost of living is skyrocketing and working families can barely keep up. The new gas and car tax hikes can cost a family of four more than \$500 per year! That's not pennies, that's real money.

FACT: The gas tax hike is not fair. It's a regressive tax that hits working families and the poor much harder than the wealthy.

FACT: Californians pay about 95.5 cents to the government on every gallon of gas. That's about \$18 in taxes and fees on a typical fill-up—much more than motorists pay in other states.

FACT: California has a \$16 billion budget surplus, but the Sacramento politicians decided to spend billions this year on their pet projects instead of improving roads, bridges and highways. In fact, the Legislature has actually REDUCED Caltrans funding by 18 percent over the last ten years.

FACT: 72% of all state motor vehicle related taxes and fees collected by the state are used for programs other than streets, roads and highways. It's time to end the transportation funding shell game.

(Check these facts and learn more at GiveVotersAVoice.com)

Don't be fooled by opponents who claim there is no money to fix roads if Prop. 6 passes. If the transportation-related taxes and fees we already paid before this new tax increase took effect were spent on transportation—the state would have \$5.6 billion annually for transportation needs, *without* raising taxes.

That's why unbiased transportation experts agree the Legislature needs to prioritize its spending and gas and car tax hikes are NOT necessary to fix the roads.

"The waste of taxpayer dollars going to transportation is legendary. California could have great roads if it simply adopted basic reforms."—Robert K. Best, former Director of Caltrans

Before raising gas and car taxes by \$52 BILLION over 10 years, the Legislature should clean up the corruption and inefficiency that causes California to spend 62% above the national average to build highway lanes.

Nearly a million Californians hurt by high gas prices—small-business owners, teachers, retired people, union members—signed the petition to place Prop. 6 on the ballot.

Vote YES on Prop. 6 to save your family hundreds of dollars a year by repealing the unnecessary gas and car tax increase—and end the shell game Sacramento politicians play with our transportation funds.

Vote YES on Prop. 6 to help California's struggling middle class and working families make ends meet.

Vote YES on Prop. 6 to demand that politicians spend our transportation tax dollars as intended and promised—to maintain our streets, highways and bridges.

Vote YES on Prop. 6 to immediately lower gas prices!

JOHN COX, Honorary Chairman
Give Voters a Voice—Yes on Prop. 6

DELORES CHAVEZ, President
Latino American Political Association

PEGGI BUFF, President
California Women's Leadership Association

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 6 ★

Don't be misled. Out-of-state politicians and special interests spent millions to put Proposition 6 on the ballot. Prop. 6 will make our bridges, roads and transportation system less safe, and we'll end up paying more in the long run as roads further deteriorate.

FACT: Prop. 6 does not contain one single provision guaranteeing our gas prices will be reduced.

FACT: Voters overwhelmingly passed Proposition 69 in June preventing Sacramento politicians from raiding transportation funds, ensuring funds can only be used for transportation improvements.

FACT: Prop. 6 eliminates \$5 billion annually in *existing transportation funding* and will jeopardize more than 6,500 local transportation projects *currently underway* throughout California. Now is not the time to stop the progress.

FACT: Proposition 6 threatens public safety. California has more than 1,600 bridges and overpasses that are structurally deficient, and 89% of counties have roads that are rated in "poor" or "at-risk" condition. Prop. 6 eliminates projects making safety repairs to bridges and overpasses and fixing dangerous roads.

FACT: Prop. 6 will cost motorists more in the long run. The average driver spends \$739 per year on vehicle

expenses like front end alignments, shocks and tire repairs caused by bad roads. This measure will make road conditions worse and cost us all more in unexpected vehicle repairs.

Proposition 6 is opposed by more than 200 organizations, including: • California Professional Firefighters • American Society of Civil Engineers • League of Women Voters of California • California Chamber of Commerce • California Transit Association • Congress of California Seniors • California League of United Latin American Citizens • Latin Business Association • California Association of Highway Patrolmen

Reject Proposition 6—stop the attack on bridge & road safety.

www.NoProp6.com

BRIAN K. RICE, President
California Professional Firefighters

MARK GHILARDUCCI, Director
California Office of Emergency Services

YVONNE GONZALEZ DUNCAN, State Director
California League of United Latin American Citizens (CA LULAC)

★ ARGUMENT AGAINST PROPOSITION 6 ★

VOTE NO ON PROP. 6: STOP THE ATTACK ON BRIDGE & ROAD SAFETY

The California Professional Firefighters, California Association of Highway Patrolmen, American Society of Civil Engineers and first responders urge NO on Prop. 6 because it will stop critical transportation projects and jeopardize the safety of our bridges and roads.

Prop. 6 eliminates \$5 billion annually in *existing funds* dedicated to fixing roads, bridges and infrastructure. Prop. 6 will stop projects *currently underway* throughout California to upgrade bridges and overpasses to meet earthquake safety standards and to improve the safety of our roads.

Here are the facts: • California has more than 1,600 bridges and overpasses that are structurally deficient and unsafe. • Eighty nine percent (89%) of counties have roads that are in 'poor' or 'at-risk' condition. • According to the National Highway Traffic Safety Administration, there were more than 3,600 fatalities on California roads in 2016. Improving road conditions and roadway safety features have been found to have a significant effect improving traffic safety. PROP. 6 ELIMINATES FUNDING FOR MORE THAN 6,500 ROAD SAFETY AND TRANSPORTATION IMPROVEMENT PROJECTS

According to the California State Transportation Agency, there are more than 6,500 local transportation improvement projects underway in every California community, including: • 3,727 projects fixing potholes and repaving crumbling, unsafe roads • Repairs or replacement of 554 bridges and overpasses • 453 improvements to public transportation operations and services including buses and rail • 337 projects relieving traffic congestion

If Prop. 6 passes, construction will come grinding to a halt in cities and counties throughout the state, wasting money and making road conditions even worse.

VOTERS SPOKE LOUD AND CLEAR TO DEDICATE ROAD FUNDING

Voters overwhelmingly passed Prop. 69 in June preventing Sacramento politicians from raiding

transportation funds and ensuring these funds are only used for transportation improvements. We should not eliminate transportation revenues that are accountable to taxpayers, can't be diverted, and that voters overwhelmingly dedicated to fixing our roads.

PROP. 6 ELIMINATES THOUSANDS OF JOBS AND HURTS OUR ECONOMY

The California Chamber of Commerce opposes Prop. 6 because it could eliminate 68,000 jobs annually and \$183 billion in economic investments as thousands of road construction projects are halted.

PUBLIC SAFETY AND LOCAL LEADERS OPPOSE PROP. 6

• California Professional Firefighters • California Association of Highway Patrolmen • American Society of Civil Engineers • Emergency responders and paramedics • California Chamber of Commerce • California League of Conservation Voters • State Building & Construction Trades Council of California • California State Association of Counties • League of California Cities • California Alliance for Jobs • Latin Business Association • California NAACP • Congress of California Seniors • California League of United Latin American Citizens (LULAC)

"Emergency responders see firsthand the safety risk to drivers caused by crumbling roads, structurally unsafe bridges and outdated infrastructure. By stopping thousands of transportation improvement projects, Prop. 6 will make our roads, bridges and transportation system less safe and lead to more traffic accidents and fatalities."—Mark Ghilarducci, Director, California Office of Emergency Services

STOP THE ATTACK ON BRIDGE & ROAD SAFETY. VOTE NO ON 6.

NoProp6.com

BRIAN K. RICE, President
California Professional Firefighters

KWAME AGYARE, Region Director
American Society of Civil Engineers

DOUG VILLARS, President
California Association of Highway Patrolmen

★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 6 ★

The cost of living in California is already too high. VOTE YES on PROP. 6 to immediately lower the price you pay at the pump.

DON'T be fooled by Special Interest opponents claiming there is no money to fix bridges and roads unless taxes are raised. Here are the facts:

- STATE GOVERNMENT HAS A \$16 BILLION BUDGET SURPLUS, but the Legislature decided to spend billions on their pet projects instead of improving roads, bridges and highways.
- Sacramento politicians have REDUCED Caltrans funding by 18 percent over the last ten years. 72% of all state motor vehicle related taxes and fees go to programs other than streets, roads and highways.
- Higher fuel taxes are passed along to consumers, increasing the cost of everything we buy. California is already too expensive. This massive tax increase makes things worse.

One more thing the politicians aren't telling you: HIDDEN IN THE LEGISLATURE'S GAS TAX BILL IS A

CLAUSE THAT ALLOWS THE TAX TO AUTOMATICALLY INCREASE EVERY YEAR WITHOUT A VOTE OF THE PEOPLE.

Too many Californians are already struggling with the high cost of living. PROP. 6 does just two things to help make California more affordable:

First, it REPEALS the unfair and massive increase in the gas and car tax.

Second, it REQUIRES a vote of the people before the politicians can try to increase gas and car taxes again.

VOTE YES on Prop. 6 for lower gas prices! Visit www.GiveVotersAVoice.com and www.GasTaxRepeal.org to learn more.

JON COUPAL, President
Howard Jarvis Taxpayers Association

JOHN KABATECK, California Director
National Federation of Independent Business

JESSE ROJAS, President
California Farmworkers and Families PAC

**CONFORMS CALIFORNIA DAYLIGHT SAVING TIME TO FEDERAL LAW.
ALLOWS LEGISLATURE TO CHANGE DAYLIGHT SAVING TIME PERIOD.
LEGISLATIVE STATUTE.**

OFFICIAL TITLE AND SUMMARY

PREPARED BY THE ATTORNEY GENERAL

The text of this measure can be found on the Secretary of State's website at <http://voterguide.sos.ca.gov>.

- Establishes the time zone designated by federal law as “Pacific standard time” as the standard time within California.
- Provides that California daylight saving time begins at 2 a.m. on the second Sunday of March and ends at 2 a.m. on the first Sunday of November, consistent with current federal law.
- Permits the Legislature by two-thirds vote to make future changes to California's daylight saving

time period, including for its year-round application, if changes are consistent with federal law.

SUMMARY OF LEGISLATIVE ANALYST'S ESTIMATE OF NET STATE AND LOCAL GOVERNMENT FISCAL IMPACT:

- This measure has no direct fiscal effect because changes to daylight saving time would depend on future actions by the Legislature and potentially the federal government.

FINAL VOTES CAST BY THE LEGISLATURE ON AB 807 (PROPOSITION 7)
(CHAPTER 60, STATUTES OF 2018)

Senate:	Ayes 26	Noes 9
Assembly:	Ayes 68	Noes 6

ANALYSIS BY THE LEGISLATIVE ANALYST

BACKGROUND

Federal Law Establishes Daylight Saving Time for Part of the Year. Federal law establishes a standard time zone for each area of the U.S. For example, California and other western states are in the Pacific standard time zone. Federal law requires the standard time of each zone to advance by one hour from early March to early November—a period known as Daylight Saving Time (DST). During

DST, sunrises and sunsets occur one hour later than they otherwise would. Currently, federal law does not allow states to adopt year-round DST. However, federal law allows states to opt out of DST and remain on standard time all year, as is currently the case in Arizona and Hawaii.

California Voted on DST About 70 Years Ago. In 1949, California voters approved an initiative measure which established DST in California. The

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

Legislature can only make changes to that initiative measure by submitting those changes to the voters for their approval.

PROPOSAL

Proposition 7 allows the Legislature with a two-thirds vote to change DST (such as by remaining on DST year-round), as long as the change is allowed under federal law. Until any such change, California would maintain the current DST period.

FISCAL EFFECTS

No Direct Fiscal Effects on State and Local Governments. The measure would have no direct effect on state and local government costs or revenues. This is because any impacts would depend on future actions by the Legislature—and potentially the federal government—to change DST.

Potential Impacts of Changes to DST. If the Legislature changed DST, there could be a variety of effects. For

example, if the Legislature approved year-round DST, sunrises and sunsets would occur one hour later between November and March. Such a change could affect the net amount of energy used for lighting, heating, and cooling during those months. In addition, the current system of DST during part of the year likely affects the amount of sleep some people get when switching between standard time and DST twice a year. This potentially affects such things as worker productivity and the number of accidents. Year-round DST would eliminate these effects. The net effect of such changes on state and local government finances is unclear, but would likely be minor.

Visit <http://www.sos.ca.gov/campaign-lobbying/cal-access-resources/measure-contributions/2018-ballot-measure-contribution-totals/> for a list of committees primarily formed to support or oppose this measure. Visit <http://www.fppc.ca.gov/transparency/top-contributors/nov-18-gen.html> to access the committee's top 10 contributors.

If you desire a copy of the full text of the state measure, please call the Secretary of State at (800) 345-VOTE (8683) or you can email vigfeedback@sos.ca.gov and a copy will be mailed at no cost to you.

★ ARGUMENT IN FAVOR OF PROPOSITION 7 ★

What does it cost us to change our clocks twice a year? Here are some facts to consider.

University medical studies in 2012 found that the risk of heart attacks increases by 10% in the two days following a time change.

In 2016, further research revealed that stroke risks increase 8% when we change our clocks. For cancer patients the stroke risk increases 25% and for people over age 65 stroke risk goes up 20%. All because we disrupt sleep patterns.

And every parent knows what it means when our children's sleep patterns are disrupted twice a year.

Now consider money. Changing our clocks twice a year increases our use of electricity 4% in many parts of the world, increases the amount of fuel we use in our cars, and comes with a cost of \$434 million. That's money we can save.

Changing our clocks doesn't change when the sun rises or sets. Nature does that. Summer days will always be longer. Winter days will stay shorter.

Since 2000, 14 countries have stopped changing their clocks. And now 68% of all the countries don't do it. They allow nature to determine time, not their governments.

Lowering health risk. Reducing energy consumption. Saving money.

A YES vote on Proposition 7 allows California to consider making Daylight Saving Time or Standard Time our year-round time—changing things that are more important than changing our clocks.

Proposition 7 will require a two-thirds vote of the Legislature before any final decision is made.

ASSEMBLYMEMBER KANSEN CHU

California Assembly District 25

ASSEMBLYWOMAN LORENA GONZALEZ

California Assembly District 80

DR. SION ROY, M.D., Cardiologist

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 7 ★

The proponents of permanent Daylight Saving insist it will save us energy. It will not. Many studies have been conducted on this topic and there is no conclusive evidence that full-time daylight saving will save us a dime. Any brief potential increase in certain medical conditions needs to be weighed against the dangers of it being dark later in the morning in the winter.

Changing our clocks twice a year may be inconvenient. But requiring days to start in the dark during winter is more than inconvenient—it's dangerous. It's dangerous for children heading to school or waiting for the bus in the dark and for adults who have to start their commutes in darkness as well. The same failed experiment in 1974 to have Daylight Saving Time year-round confirmed this dangerous reality.

The advantages of maintaining the present system of Daylight Saving Time in the spring, summer, and fall with Standard Time in the winter are clear:

- daylight into the evening in the summer
- daylight in the morning in the winter
- avoids putting us an hour ahead of neighboring western states and Mexico four months of the year

Increased danger for children and adults in winter, different time than the states around us. It's not worth it. Vote No on Prop. 7.

SENATOR HANNAH-BETH JACKSON

19th Senate District

★ ARGUMENT AGAINST PROPOSITION 7 ★

Please vote “No” on Proposition 7. Proposition 7 will result in California switching to permanent Daylight Saving Time. We’ve tried this before and it was a disaster. In 1974, an energy crisis led President Nixon to declare emergency full-time Daylight Saving Time. It was supposed to last 16 months but was stopped after 10 months because people hated the fact that in the morning, the sun rose too late. Daylight Saving Time does not create more hours of daylight. It just changes when those daylight hours occur. If you live in Anaheim, the sun will rise at 6:55 a.m. on Christmas morning this year. With Daylight Saving Time, it would be 7:55 a.m. We have Daylight Saving Time in the summer so it is light after we get home from work. And we switch to Standard Time in the winter so it’s light in the morning. What will it mean to have permanent Daylight Saving Time? The sun will rise an hour later than if we were on Standard Time. If you live in Eureka or Susanville, it would still be dark at 8 a.m. on New Year’s Day. If you live in Los Angeles or Twentynine Palms, the sun won’t rise until 7:30 a.m. or later from November to February. Those of you who like to wake up with the sun will wake up in the dark. You’ll be getting your family ready for the day in the dark; your kids will be walking to school or waiting for the school bus before the sun rises. For those of

you who get your exercise or attend religious services before work, you’ll be doing it in darkness. Some make the argument that Daylight Saving Time saves us energy or makes us safer. But there’s no scientific evidence of that. It’s just a question of convenience. We now have Daylight Saving Time in the summer so we can have extra light in the evening, when we can enjoy it, rather than having that daylight between 5 and 6 in the morning when we’d prefer it were dark. And then in the winter we switch back to Standard Time so it’s not so dark in the morning. Being on permanent Daylight Saving Time will put us out of sync with our neighbors. While we’ll always have the same time as Arizona, part of the year we’ll have the same time as the other Mountain Time states and the rest of the year we’ll be in line with Nevada, Oregon, Washington, and Mexico. Yes, it’s a minor inconvenience when we “Spring ahead” and we lose that hour (even though it’s great to get that extra hour when we “Fall back”). But avoiding these transitions is not worth the confusion with other states’ times, and the months of dark mornings we’ll have to endure if we have permanent Daylight Saving Time.
SENATOR HANNAH-BETH JACKSON
19th Senate District
PHILLIP CHEN, Assemblymember
55th District

★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 7 ★

Opponents of Proposition 7 can’t dispute the scientific and economic facts showing that the changing of clocks twice a year is hazardous to our health and our economy. Proposition 7 is about keeping our communities, workplaces, schools and roadways safe and productive. Whenever there’s a time change, studies show that heart attacks and strokes are more likely to occur. Children are knocked off their usual sleep pattern and become more unfocused in the classroom. Traffic accidents and workplace injuries increase significantly after we change our clocks.

Not to mention, our economy takes a \$434 million hit in lost productivity when clocks are set an hour forward and back every year. California can unwind the dangerous time switch by voting Yes on Proposition 7. Please join parents, medical professionals, and workplace safety advocates by voting Yes on Proposition 7.
www.YesProp7.info.
ASSEMBLYMEMBER KANSEN CHU
California Assembly District 25
ASSEMBLYWOMAN LORENA GONZALEZ
California Assembly District 80

REGULATES AMOUNTS OUTPATIENT KIDNEY DIALYSIS CLINICS CHARGE FOR DIALYSIS TREATMENT. INITIATIVE STATUTE.

OFFICIAL TITLE AND SUMMARY

PREPARED BY THE ATTORNEY GENERAL

The text of this measure can be found on the Secretary of State's website at <http://voterguide.sos.ca.gov>.

- Limits the charges to 115 percent of the costs for direct patient care and quality improvement costs, including training, patient education, and technology support.
- Requires rebates and penalties if charges exceed the limit.
- Requires annual reporting to the state regarding clinic costs, patient charges, and revenue.
- Prohibits clinics from refusing to treat patients based on the source of payment for care.

SUMMARY OF LEGISLATIVE ANALYST'S ESTIMATE OF NET STATE AND LOCAL GOVERNMENT FISCAL IMPACT:

- Overall annual effect on state and local governments ranging from net positive impact in the low tens of millions of dollars to net negative impact in the tens of millions of dollars.

ANALYSIS BY THE LEGISLATIVE ANALYST

BACKGROUND

DIALYSIS TREATMENT

Kidney Failure. Healthy kidneys filter a person's blood to remove waste and extra fluid. Kidney disease refers to when a person's kidneys do not function properly. Over time, a person may develop kidney failure, also known as "end-stage renal disease." This means that the kidneys no longer function well enough for the person to survive without a kidney transplant or ongoing treatment referred to as dialysis.

Dialysis Mimics Normal Kidney Functions.

Dialysis artificially mimics what healthy kidneys do. Most people on dialysis undergo hemodialysis, a form of dialysis in which blood is removed from the body, filtered through a machine to remove waste and extra fluid, and then returned to the body. A hemodialysis treatment lasts about four hours and typically occurs three times per week.

Most Dialysis Patients Receive Treatment in Clinics. Individuals with kidney failure may

receive dialysis treatment at hospitals or in their own homes, but most receive treatment at chronic dialysis clinics (CDCs). As of May 2018, 588 licensed CDCs in California provided treatment to roughly 80,000 patients each month. Each CDC operates an average of 22 dialysis stations, with each station providing treatment to one patient at a time. The California Department of Public Health (CDPH) is responsible for licensing and inspecting CDCs. Various entities own and operate CDCs. As shown in Figure 1, two private for-profit entities operate and have at least partial ownership of the majority of CDCs in California.

PAYING FOR DIALYSIS TREATMENT

Payment for Dialysis Treatment Comes From a Few Main Sources.

We estimate that CDCs have total revenues of roughly \$3 billion annually from their operations in California. These revenues consist of payments for dialysis treatment from a few main sources, or "payers":

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

Figure 1

Licensed Chronic Dialysis Clinics in California

May 2018

Operating Entity	Number of Clinics	Percent of Clinics
DaVita, Inc. (for-profit)	292	50%
Fresenius Medical Care (for-profit)	129	22
Satellite Healthcare (nonprofit)	46	8
U.S. Renal Care (for-profit)	38	6
Other	83	14
Totals	588	100%

- Medicare.** This federally funded program provides health coverage to most people age 65 and older and certain younger people who have disabilities. Federal law generally makes people with kidney failure eligible for Medicare coverage regardless of age or disability status. Medicare pays for dialysis treatment for the majority of people on dialysis in California.
- Medi-Cal.** The federal-state Medicaid program, known as Medi-Cal in California, provides health coverage to low-income people. The state and the federal government share the costs of Medi-Cal. Some people qualify for both Medicare and Medi-Cal. For these people, Medicare covers most of the payment for dialysis treatment as the primary payer and Medi-Cal covers the rest. For people enrolled only in Medi-Cal, the Medi-Cal program is solely responsible to pay for dialysis treatment.
- Group and Individual Health Insurance.** Many people in the state have group health insurance coverage through an employer or another organization (such as a union). The California state government, the state’s two public university systems, and many local governments in California provide group health insurance coverage for their current workers, eligible retired

workers, and their families. Some people without group health insurance purchase health insurance individually. Group and individual health insurance coverage is often provided by a private insurer that receives a premium payment in exchange for covering the costs of an agreed-upon set of health care services.

When an insured person develops kidney failure, that person can usually transition to Medicare coverage. Federal law requires that a group insurer remain the primary payer for dialysis treatment for a “coordination period” that lasts 30 months.

Group and Individual Health Insurers Typically Pay Higher Rates for Dialysis Than Government Programs.

The rates that Medicare and Medi-Cal pay for dialysis treatment are relatively close to the average cost for CDCs to provide a dialysis treatment and are largely determined by regulation. In contrast, group and individual health insurers establish their rates by negotiating with CDCs. The rates paid by these insurers depend on the relative bargaining power of insurers and the CDCs. On average, group and individual health insurers pay multiple times what government programs pay for dialysis treatment.

PROPOSAL

Requires Clinics to Pay Rebates When Total Revenues Exceed a Specified Cap. Beginning in 2019, the measure requires CDCs each year to calculate the amount by which their revenues exceed a specified cap. The measure then requires CDCs to pay rebates (that is, give money back) to payers, excluding Medicare and other government payers, in the amount that revenues exceed the cap. The more a

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

payer paid for treatment, the larger the rebate the payer would receive.

Revenue Cap Based on Specified CDC Costs.

The revenue cap established by the measure is equal to 115 percent of specified “direct patient care services costs” and “health care quality improvement costs.” These include the cost of such things as staff wages and benefits, staff training and development, drugs and medical supplies, facilities, and electronic health information systems. Hereafter, we refer to these costs as “allowable,” meaning they can be counted toward determining the revenue cap. Other costs, such as administrative overhead, would not be counted toward determining the revenue cap.

Interest and Penalties on Rebated Amounts. In addition to paying any rebates, CDCs would be required to pay interest on the rebate amounts, calculated from the date of payment for treatment. CDCs would also be required to pay a penalty to CDPH of 5 percent of the amount of any required rebates, up to a maximum penalty of \$100,000.

Rebates Calculated at Owner/Operator Level.

The measure specifies that rebates would be calculated at the level of a CDC’s “governing entity,” which refers to the entity that owns or operates the CDC (hereafter “owner/operator”). Some owner/operators have many CDCs in California, while others may own or operate a single CDC. For owner/operators with many CDCs, the measure requires them to add up their revenues and allowable costs across all of their CDCs in California. If the total revenues exceed 115 percent of total allowable costs across all of an owner/operator’s clinics, they would be required to pay rebates equal to the difference.

Legal Process to Raise Revenue Cap in Certain Situations. Both the California Constitution and the United States Constitution prohibit the government from taking private property (which includes the value of a business) without fair legal proceedings or fair compensation. A

CDC owner/operator might try to prove in court that, in their particular situation, the required rebates would amount to taking the value of the business and therefore violate the state or federal constitution. If a CDC owner/operator is able to prove this, the measure outlines a process where the court would reduce the required rebates by just enough to no longer violate the constitution. The measure places on the CDC owner/operator the burden of identifying the largest amount of rebates that would be legal. The measure specifies that any adjustment in the rebate amount would apply for only one year.

Other Requirements. The measure requires that CDC owner/operators submit annual reports to CDPH. These reports would list the number of dialysis treatments provided, the amount of allowable costs, the amount of the owner/operator’s revenue cap, the amount by which revenues exceed the cap, and the amount of rebates paid. The measure also prohibits CDCs from refusing to provide treatment to a person based on who is paying for the treatment.

CDPH Required to Issue Regulations. The measure requires CDPH to develop and issue regulations to implement the measure’s provisions within 180 days of the measure’s effective date. In particular, the measure allows CDPH to identify through regulation additional CDC costs that would count as allowable costs, which could serve to reduce the amount of any rebates otherwise owed by CDCs.

FISCAL EFFECTS

MEASURE WOULD REDUCE CDC PROFITABILITY

Currently, it appears that CDCs operating in California have revenues in excess of the revenue cap specified in the measure. Paying rebates in the amount of the excess would significantly reduce the revenues of CDC owner/operators. In the case of CDCs operated by for-profit entities (the majority of CDCs),

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

this means the CDCs would be less profitable or could even be unprofitable. This could lead to changes in how dialysis treatment is provided in the state. These changes could have various effects on state and local government finances. As described below, the impact of the measure on CDCs and on state and local government finances is uncertain. This is because the impact would depend on future actions of (1) state regulators and courts in interpreting the measure and (2) CDCs in response to the measure. These future actions are difficult to predict.

MAJOR SOURCES OF UNCERTAINTY

Uncertain Which Costs Are Allowable. The impact of the measure would depend on how allowable costs are defined. Including more costs as allowable would make revenue caps higher and allow CDCs to keep more of their revenues (by requiring smaller rebates). Including fewer costs as allowable would make revenue caps lower and allow clinics to keep less of their revenues (by requiring larger rebates). It is uncertain how CDPH (as the state regulator involved in implementing and enforcing the measure) and courts would interpret the measure’s provisions defining allowable costs. For example, the measure specifies that the costs of staff wages and benefits are only allowable for “non-managerial” staff that provide direct care to dialysis patients. Federal law requires CDCs to maintain certain staff positions as a condition of receiving Medicare reimbursement. Some of these required positions—including the medical director and nurse manager—perform managerial functions but are also involved in direct patient care. The costs of these positions might not be considered allowable because the positions have managerial functions. On the other hand, the costs of these positions might be considered allowable because the positions relate to direct patient care.

Uncertain How CDCs Would Respond to the Measure. CDC owner/operators would likely respond to the measure by adjusting their operations in ways that limit, to the extent possible, the effect of the rebate requirement. They could do any of the following:

- **Increase Allowable Costs.** CDC owner/operators might increase allowable costs, such as wages and benefits for non-managerial staff providing direct patient care. Increasing allowable costs would raise the revenue cap, reduce the amount of rebates owed, and potentially leave CDC owner/operators better off than if they were to leave allowable costs at current levels. This is because the amount of revenues that CDC owner/operators could retain would grow by more than the additional costs (the revenue cap would increase by 115 percent of additional allowable costs).
- **Reduce Other Costs.** CDC owner/operators might also reduce, where possible, other costs that do not count toward determining the revenue cap (such as administrative overhead). This would not change the amount of rebates owed, but it would improve the CDCs’ profitability.
- **Seek Adjustments to Revenue Cap.** If CDC owner/operators believe they cannot achieve a reasonable return on their operations even after making adjustments as described above, they might try to challenge the rebate provision in court to get a higher revenue cap as outlined in the measure. If such a challenge were successful, some CDC owner/operators might have a higher revenue cap and owe less in rebates in some years.
- **Scale Back Operations.** In some cases, owner/operators might decide to open fewer new CDCs or close some CDCs if the amount of required rebates is large and reduced revenues do not provide sufficient

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

return on investment to expand or remain in the market. If this takes place, other providers would eventually need to step in to meet the demand for dialysis. These other providers might operate less efficiently (have higher costs). Some other providers could potentially be exempt from the provisions of the measure if they do not operate under a CDC license (for example, hospitals). Such broader changes in the dialysis industry are difficult to predict.

IMPACT OF REBATE PROVISIONS ON STATE AND LOCAL FINANCES

We estimate that, without actions taken by CDCs in response to the measure, potential rebates owed could reach several hundred million dollars. Depending on the factors discussed above, the measure's rebate provisions could have several types of effects on state and local finances.

Measure Could Generate State and Local Government Employee Health Care Savings . . .

To the extent that CDCs pay rebates, state and local government costs for employee health care could be reduced. As noted previously, the measure excludes government payers from receiving rebates. However, state and local governments often contract with private health insurers to provide coverage for their employees. As private entities, these insurers might be eligible for rebates under the measure. Even if they are not eligible for rebates, they would likely still be in a position to negotiate lower rates with CDC owner/operators. These insurers might pass some or all of these savings on to government employers in the form of reduced health insurance premiums.

. . . **Or Costs.** On the other hand, as described above, CDCs might respond to the measure by increasing allowable costs. If CDCs increase

allowable costs enough, rates that health insurers pay for dialysis treatment might increase above what they would have been in the absence of the measure. If this occurs, insurers might pass some or all of these higher costs on to government employers in the form of increased health insurance premiums.

State Medi-Cal Cost Pressures. The Medi-Cal program also contracts with private insurers to provide dialysis coverage for some of its enrollees. Similar to health insurers that provide coverage for government employees, private insurers that contract with Medi-Cal might also receive rebates (if they are determined to be eligible) or might be able to negotiate lower rates with CDC owner/operators. Some or all of these savings might be passed on to the state. However, because rates paid to CDCs by these insurers are relatively low, such savings would likely be limited. On the other hand, if CDCs respond to the measure by increasing allowable costs, the average cost of a dialysis treatment would increase. This would put upward pressure on Medi-Cal rates and could result in increased state costs.

Changes to State Tax Revenues. To the extent the measure's rebate provisions operate to reduce the net income of CDC owner/operators, the measure would likely reduce the amount of income taxes that for-profit owner/operators are required to pay to the state. This reduced revenue could be offset, to an unknown extent, by various other changes to state revenues. For example, additional income tax revenue could be generated if CDCs respond to the measure by increasing spending on allowable staff wages.

In Light of Significant Uncertainty, Overall Effect on State and Local Finances Is Unclear. Different interpretations of the measure's provisions and different CDC responses to the measure would lead to different impacts for state and local governments. In light of significant uncertainty

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

about how the measure may be interpreted and how CDCs may respond, a range of possible net impacts on state and local government finances is possible.

Overall Effect Could Range From Net Positive Impact in the Low Tens of Millions of Dollars . . . If the measure is ultimately interpreted to have a broader, more inclusive definition of allowable costs, such as by including costs for nurse managers and medical directors, the amount of rebates CDC owner/operators are required to pay would be smaller. Under this interpretation, it is more likely that CDC owner/operators would respond with relatively modest changes to their cost structures. In this scenario, state and local government costs for employee health benefits could be reduced. These savings would likely be partially offset by a net reduction in state tax revenues. Overall, we estimate the measure could have a net positive impact on state and local government finances reaching the low tens of millions of dollars annually in this scenario.

. . . To Net Negative Impact in the Tens of Millions of Dollars. If the measure is ultimately interpreted to have a narrower, more restrictive definition of allowable costs, the amount of rebates CDC owner/operators are required to pay would be greater. Under this interpretation, it is more likely that CDC owner/operators would respond with more significant changes to their cost structures, particularly by increasing allowable costs. CDC owner/operators would also be more likely to seek adjustments to the revenue cap or scale back operations in the state. In this scenario, state and local government costs for employee health benefits and state Medi-Cal costs could increase. State tax revenues could also be reduced. Overall, we estimate the measure could have a net negative impact reaching

the tens of millions of dollars annually in this scenario.

Other Potential Fiscal Impacts. The scenarios described above represent our best estimate of the range of the measure’s likely fiscal impacts. However, other fiscal impacts are possible. As an example, if CDCs respond to the measure by scaling back operations in the state, some dialysis patients’ access to dialysis treatment could be disrupted in the short run. This could lead to health complications that result in admission to a hospital. To the extent that dialysis patients are hospitalized more frequently because of the measure, state costs—particularly in Medi-Cal—could increase significantly in the short run.

ADMINISTRATIVE IMPACT

This measure imposes new responsibilities on CDPH. We estimate that the annual cost to fulfill these new responsibilities likely would not exceed the low millions of dollars annually. The measure requires CDPH to adjust the annual licensing fee paid by CDCs (currently set at about \$3,400 per facility) to cover these costs. Some of these administrative costs may also be offset by penalties paid by CDCs related to rebates or failure to comply with the measure’s reporting requirements. The amount of any offset is unknown.

Visit <http://www.sos.ca.gov/campaign-lobbying/cal-access-resources/measure-contributions/2018-ballot-measure-contribution-totals/> for a list of committees primarily formed to support or oppose this measure. Visit <http://www.fppc.ca.gov/transparency/top-contributors/nov-18-gen.html> to access the committee’s top 10 contributors.

If you desire a copy of the full text of the state measure, please call the Secretary of State at (800) 345-VOTE (8683) or you can email vigfeedback@sos.ca.gov and a copy will be mailed at no cost to you.

★ ARGUMENT IN FAVOR OF PROPOSITION 8 ★

VOTE YES ON PROPOSITION 8—THE FAIR PRICING FOR DIALYSIS ACT

Dialysis is a life-saving treatment for patients with kidney failure in which their blood is taken out, cleaned, and then put back in their body. Dialysis patients should have a clean, sterile environment during their treatments, but big, corporate dialysis providers, which make billions by charging these critically ill patients as much as \$150,000 a year, won't invest enough in basic sanitation. Bloodstains, cockroaches, and dirty bathrooms have all been reported at dialysis clinics, and patients' lives have been put at risk from exposure to dangerous infections and diseases. These high prices drive up healthcare costs for all Californians. PROP. 8 will require the corporations to refund excessive profits that aren't spent on improving dialysis patient care.

STOP OVERCHARGING PATIENTS

California's largest dialysis company marks up its charges for some patients as much as 350% above the actual costs of providing care, or as much as \$150,000 per year. PROP. 8 will provide strong incentives for dialysis companies to lower costs and improve their quality of care, making patients the priority everywhere, which is especially important in low income and minority communities.

LOWER HEALTHCARE COSTS FOR EVERYONE

Because dialysis patients are often charged such

huge sums of money for their life-saving treatment, insurance companies are forced to pass those costs on to policyholders, driving up healthcare costs for all Californians. One insurance provider, Blue Shield of California, reported that it takes 3,800 other policyholders to offset the cost of one dialysis patient. PROP. 8 will help lower the cost of healthcare for all Californians.

SUPPORTED BY A BROAD COALITION

Dialysis Advocates, LLC • Californians for Disability Rights • CalPERS • Congress of California Seniors • Service Employees International Union California • Minority Veterans Coalition of California • and many more . . .

MAKE PATIENTS THE HIGHEST PRIORITY

We should vote "YES" on Prop. 8 and tell dialysis companies to prioritize lifesaving treatment for patients over corporate profits.

VOTE YES ON PROPOSITION 8

Learn more about how PROP. 8 will help improve healthcare for Californians at www.YESonProp8.com

TANGI FOSTER, Dialysis Patient

GARY PASSMORE, President
Congress of California Seniors

NANCY BRASMER, President
California Alliance for Retired Americans

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 8 ★

Proponents are trying to mislead voters. Their measure is flawed and dangerous. Here are the facts.

Proposition 8 is opposed by thousands of health care professionals and dialysis patients across California including the American Nurses Association\California, California Medical Association, and the American College of Emergency Physicians, California Chapter because it jeopardizes access to care for 66,000 patients who need dialysis to stay alive.

"Missing even one appointment can be fatal for dialysis patients. By limiting access to dialysis care, Proposition 8 jeopardizes patient lives."—Theodore M. Mazer, M.D., President, California Medical Association, representing 43,000 doctors

CALIFORNIA DIALYSIS CLINICS RANK AMONG THE HIGHEST IN THE NATION FOR QUALITY CARE

California dialysis clinics are highly regulated at both the state and federal level. According to federal regulators, California clinics outperform other states in clinical quality and patient satisfaction.

PROP. 8 WOULD FORCE COMMUNITY DIALYSIS CLINICS TO CUT SERVICES AND CLOSE—ENDANGERING PATIENTS

An independent analysis by California's former Legislative Analyst found that under Prop. 8, 83% of dialysis clinics would operate at a loss. That reality would force hundreds of clinics to reduce operations or close.

PROPOSITION 8 WOULD COST CONSUMERS AND TAXPAYERS HUNDREDS OF MILLIONS ANNUALLY

Prop. 8 limits what insurance companies pay for dialysis care. But NOTHING in Prop. 8 requires insurance companies to pass ANY savings to consumers. In fact, Prop. 8 would INCREASE COSTS for taxpayers by hundreds of millions annually by forcing dialysis patients into more costly hospitals and emergency rooms, further straining already overcrowded ERs.

Please join doctors, nurses and patients.

VOTE NO ON PROPOSITION 8. IT'S DANGEROUS.

www.NoProp8.com

PHILLIP BAUTISTA, RN, President
American Nurses Association\California

TERRY RICO, Dialysis Patient

THEODORE M. MAZER, MD, President
California Medical Association

★ ARGUMENT AGAINST PROPOSITION 8 ★

PROP. 8 PUTS VULNERABLE DIALYSIS PATIENT LIVES AT RISK

The American Nurses Association\California, California Medical Association, American College of Emergency Physicians, California Chapter and patient advocates all OPPOSE Prop. 8 because it jeopardizes access to care for 66,000 patients in California who need frequent dialysis treatments to stay alive.

“Patients on dialysis have kidney failure and are very sick. They require dialysis three days a week, four hours at a time to do the job of their kidneys to remove toxins from the body. These patients cannot survive without regular treatments. Prop. 8 dangerously reduces access to care and places vulnerable patients at serious risk.”—Phillip Bautista, BSN, RN, PHN, President, American Nurses Association\California

PROP. 8 WILL FORCE COMMUNITY DIALYSIS CLINICS TO CUT SERVICES AND CLOSE

Proposition 8 severely limits what insurance companies are required to pay for dialysis care. These arbitrary limits will not cover the actual cost of providing care.

In fact, an independent analysis conducted by California’s former Legislative Analyst concluded Prop. 8 will result in 83% of dialysis clinics operating at a loss. That will force hundreds of clinics to reduce operations or close, endangering patients.

Without access to community clinics, patients will have to travel long distances, miss treatments or end up in the emergency room.

DOCTORS, NURSES, AND PATIENT ADVOCATES ALL OPPOSE PROP. 8

“Missing even one appointment can be fatal for dialysis patients. By limiting access to dialysis care, this proposition jeopardizes patient lives.”—Dr. Theodore M. Mazer, President, California Medical Association, representing 43,000 doctors

“As emergency physicians, we regularly treat dialysis patients who end up in the ER due to missed appointments or complications from kidney failure. This proposition will increase the risk of life-threatening

complications for these very vulnerable patients.”—

Dr. Aimee Moulin, President, American College of Emergency Physicians, California Chapter

PROP. 8 DISPROPORTIONATELY HURTS DISADVANTAGED COMMUNITIES

Prop. 8 is opposed by California NAACP and National Hispanic Medical Association because it will disproportionately impact patients in disadvantaged communities with higher risk of kidney failure.

PROP. 8 INCREASES COSTS FOR ALL CALIFORNIANS BY HUNDREDS OF MILLIONS ANNUALLY

When clinics close, dialysis patients end up in the ER where care is more expensive. According to the former Legislative Analyst, this measure will increase taxpayer costs by nearly \$300 million annually.

CALIFORNIA DIALYSIS QUALITY RANKS AMONG THE HIGHEST IN THE NATION

California dialysis clinics are highly regulated by federal and state regulators that provide quality reports on every facility. According to the federal Centers for Medicare & Medicaid Services, California clinics outperform other states in clinical quality and patient satisfaction. This measure makes no sense when California dialysis care is highly regulated and saving lives.

PROP. 8 COMES BETWEEN DOCTORS AND PATIENTS
Vote NO on Prop. 8 and leave complicated medical decisions about dialysis in the hands of doctors and patients.

PROP. 8 IS DANGEROUS. VOTE NO.

Please join doctors, nurses and patient advocates and reject this dangerous proposition that puts vulnerable dialysis patients at risk. www.NoProp8.com

PHILLIP BAUTISTA, RN, President
American Nurses Association\California

THEODORE M. MAZER, MD, President
California Medical Association

AIMEE MOULIN, MD, President
American College of Emergency Physicians,
California Chapter

★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 8 ★

VOTE YES ON PROPOSITION 8 TO IMPROVE HEALTH CARE IN CALIFORNIA.

DIALYSIS CORPORATIONS CUT CORNERS AND ENDANGER PATIENTS

Patients with kidney failure generally undergo dialysis three times a week, where their blood is removed, cleaned and put back in their bodies. Patients and caregivers report unsafe conditions at dialysis clinics, including short-staffing and poor sanitation and hygiene, which puts them at risk of life-threatening infections.

“When I started dialysis, I didn’t expect I’d have to worry about the clinic that’s supposed to keep me healthy. I’ve seen bugs crawling in between the plastic that covers the light fixtures in the ceiling. I’ve had to call the health department many times to report roaches, bloodstains, and lack of adequate cleaning.”—Tangi Foster, Dialysis Patient

Visit www.YesOn8.com to read firsthand accounts from Dialysis patients.

DIALYSIS CORPORATIONS MAKE HUGE PROFITS AT PATIENTS’ EXPENSE

For-profit dialysis corporations make billions in profits while clinics in vulnerable communities are run-down,

with no doctor on site at times.

PROP. 8 pushes dialysis corporations to invest some of those profits to improve patient care, which is especially needed in low-income communities.

OVERCHARGING DRIVES UP THE COST FOR ALL OF US
Dialysis corporations mark up the cost of care for some patients by 350%, an expense absorbed by insurance companies and passed on to policyholders throughout California.

Their high prices make healthcare more expensive for all of us.

The California Democratic Party, veterans, healthcare advocates and religious leaders all support YES ON PROP. 8.

It’s time Dialysis corporations prioritize patient care, not their profits.

GUADALUPE TELLEZ, Dialysis Registered Nurse

PASTOR WILLIAM D. SMART, JR.
Southern Christian Leadership Conference of Southern California

TANGI FOSTER, Dialysis Patient

On July 18, 2018, Proposition 9 was removed from the ballot by order of the California Supreme Court.

On July 18, 2018, Proposition 9 was removed from the ballot by order of the California Supreme Court.

PROPOSITION
10 EXPANDS LOCAL GOVERNMENTS' AUTHORITY TO
ENACT RENT CONTROL ON RESIDENTIAL PROPERTY.
INITIATIVE STATUTE.

OFFICIAL TITLE AND SUMMARY

PREPARED BY THE ATTORNEY GENERAL

The text of this measure can be found on the Secretary of State's website at <http://voterguide.sos.ca.gov>.

- Repeals state law that currently restricts the scope of rent-control policies that cities and other local jurisdictions may impose.
- Allows policies that would limit the rental rates that residential-property owners may charge for new tenants, new construction, and single-family homes.
- In accordance with California law, provides that rent-control policies may not violate landlords' right to a fair financial return on their rental property.

SUMMARY OF LEGISLATIVE ANALYST'S ESTIMATE OF NET STATE AND LOCAL GOVERNMENT FISCAL IMPACT:

- Potential net reduction in state and local revenues of tens of millions of dollars per year in the long term. Depending on actions by local communities, revenue losses could be less or considerably more.

ANALYSIS BY THE LEGISLATIVE ANALYST

BACKGROUND

Rental Housing Is Expensive in California. Renters in California typically pay 50 percent more for housing than renters in other states. In some parts of the state, rent costs are more than double the national average. Rent is high in California because the state does not have enough housing for everyone who wants to live here. People who want to live here must compete for housing, which increases rents.

Several Cities Have Rent Control Laws. Several California cities—including Los Angeles, San Francisco, and San Jose—have laws that limit how much landlords can increase rents for housing from one year to the next. These laws often are called rent control. About one-fifth of Californians live in cities with rent control. Local rent boards administer rent control. These boards are funded through fees on landlords.

Court Rulings Limit Local Rent Control. Courts have ruled that rent control laws must allow landlords to receive a "fair rate of return." This means that landlords must be allowed to increase rents enough to receive some profit each year.

State Law Limits Local Rent Control. A state law, known as the Costa-Hawkins Rental Housing Act (Costa-Hawkins), limits local rent control laws.

Costa-Hawkins creates three main limitations. First, rent control cannot apply to any single-family homes. Second, rent control can never apply to any newly built housing completed on or after February 1, 1995. Third, rent control laws cannot tell landlords what they can charge a new renter when first moving in.

State and Local Government Tax Revenues. Three taxes are the largest sources of tax revenue for the state and local governments in California. The state collects a personal income tax on income—including rent received by landlords—earned within the state. Local governments levy property taxes on property owners based on the value of their property. The state and local governments collect sales taxes on the retail sale of goods.

PROPOSAL

Repeals Costa-Hawkins. The measure repeals the limits on local rent control laws in Costa-Hawkins. Under the measure, cities and counties can regulate rents for *any* housing. They also can limit how much a landlord may increase rents when a new renter moves in. The measure itself does not make any changes to local rent control laws. With a few exceptions, cities and

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

counties would have to take separate actions to change their local laws.

Requires Fair Rate of Return. The measure requires that rent control laws allow landlords a fair rate of return. This puts the results of past court rulings into state law.

FISCAL EFFECTS

Economic Effects. If communities respond to this measure by expanding their rent control laws, it could lead to several economic effects. The most likely effects are:

- To avoid rent regulation, some landlords would sell their rental housing to new owners who would live there.
- The value of rental housing would decline because potential landlords would not want to pay as much for these properties.
- Some renters would spend less on rent and some landlords would receive less rental income.
- Some renters would move less often.

These effects would depend on how many communities pass new laws, how many properties are covered, and how much rents are limited. Voters in some communities have proposed expanding rent control if this measure passes. If many localities enacted strong rent regulation, other economic effects (such as impacts on housing construction) could occur.

Changes in State and Local Revenues. The measure's economic effects would affect property tax, sales tax, and income tax revenues. The largest and most likely impacts are:

- **Less Property Taxes Paid by Landlords.** A decline in the value of rental properties would, over several years, lead to a decrease in property tax payments made by owners of those properties.
- **More Sales Taxes Paid by Renters.** Renters who pay less in rent would use some of their savings to buy taxable goods.
- **Change in Income Taxes Paid by Landlords.** Landlords' income tax payments would

change in several ways. Some landlords would receive less rental income. This would reduce their income tax payments. On the other hand, over time landlords would pay less to buy rental properties. This would reduce expenses they can claim to lower their income tax payments (such as mortgage interest, property taxes, and depreciation). This would increase their income tax payments. The measure's net effect on income taxes paid by landlords in the long term is not clear.

Overall, the measure likely would reduce state and local revenues in the long term, with the largest effect on property taxes. The amount of revenue loss would depend on many factors, most importantly how communities respond to this measure. If several communities expand moderate rent control to cover most of their rental housing, revenue losses could be in the tens of millions of dollars per year. If few communities make changes, revenue losses would be minor. If many communities pass strong rent control, revenue losses could be in the hundreds of millions of dollars per year.

Increased Local Government Costs. If cities or counties create new rent control laws or expand existing ones, local rent boards would face increased administrative and regulatory costs. Depending on local government choices, these costs could range from **very little to tens of millions of dollars** per year. These costs likely would be paid by fees on owners of rental housing.

Visit <http://www.sos.ca.gov/campaign-lobbying/cal-access-resources/measure-contributions/2018-ballot-measure-contribution-totals/> for a list of committees primarily formed to support or oppose this measure. Visit <http://www.fppc.ca.gov/transparency/top-contributors/nov-18-gen.html> to access the committee's top 10 contributors.

If you desire a copy of the full text of the state measure, please call the Secretary of State at (800) 345-VOTE (8683) or you can email vigfeedback@sos.ca.gov and a copy will be mailed at no cost to you.

★ ARGUMENT IN FAVOR OF PROPOSITION 10 ★

The rent is too damn high! Voting YES on Proposition 10 will free our local communities to decide what rent control protections are needed, if any, to tackle the housing crisis. Prop. TEN protects TENants.

Too many families spend over half their income on housing. That's simply unacceptable. Living paycheck to paycheck means it's difficult for these families to make ends meet, much less save for an emergency. Seniors on fixed-incomes have less to spend on food and medicine. Many of the people who should be the foundation of our local communities—the teachers, nurses and firefighters—are forced to move far away from the communities they serve because corporate landlords are doubling or even tripling the rent. With so many families struggling, many are driven to move away from California altogether, leaving jobs, relatives and schools behind. Even worse, many are forced into homelessness and living on the streets. With every 5% rent increase, 2,000 more people are forced out of their homes—a devastating blow to them and an even worse homeless problem for California to cope with.

Voting YES on Prop. 10 will allow cities that need it to pass laws limiting rent increases. Prop. 10 does NOT mandate rent control. It does NOT force any community to adopt any rent control measures that would not be a good fit for their own housing situation. It does NOT force any one-size-fits-all solutions on any city. Instead, Prop. 10 simply allows communities that are struggling with skyrocketing housing costs to put an annual limit on how much rents can be raised. Communities are free to bring more fairness to housing, ensuring that tenants have protections against huge rent increases, while ensuring that landlords receive a fair rate of return with reasonable yearly increases.

Voters have heard a lot of confusing arguments about Proposition 10. Don't believe the attacks. Wall Street corporations like the Donald Trump-linked Blackstone have spent millions of dollars to fight this measure because they are terrified this will cut into the huge profits they make from the thousands of foreclosed homes they buy. They don't care that California families are being crushed by high rent. It's time to take a stand FOR affordable housing and against greedy Wall Street billionaires and corporate landlords by voting YES on Prop. 10.

Prop. 10 is a limited measure that answers one question: who decides housing policy—local communities or Sacramento special interests and powerful real estate investors? It doesn't establish new housing policies, it just lets local communities—which are closer to the people—decide what works best for them. It's time we had the power to tackle the problems of homelessness and skyrocketing rent within our own communities.

California nurses, teachers, seniors, organized labor, including SEIU State Council, housing advocates, civil rights groups, clergy and faith-based groups and other organizations you trust all urge YES on Proposition 10. Remember, Prop. TEN protects TENants.

Get the facts about Proposition 10:
www.VoteYesOnProp10.org

ZENEI CORTEZ, Co-President
California Nurses Association
NAN BRASMER, President
California Alliance for Retired Americans
ELENA POPP, Executive Director
Eviction Defense Network

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 10 ★

PROP. 10 WILL MAKE THE HOUSING CRISIS WORSE, NOT BETTER

The sponsors of Prop. 10 want you to believe it will “magically” solve our housing crisis, but it's badly flawed and will just make the housing crisis worse. Prop. 10:

- Allows regulation of single family homes
- Puts bureaucrats in charge of housing decisions
- Gives as many as 539 rental boards the power to add fees on top of rent
- Puts taxpayers at risk for millions in legal costs
- Adds tens of millions in new costs to local governments

AFFORDABLE HOUSING LEADERS AGREE: NO ON PROP. 10

“Prop. 10 prevents any future statewide housing solutions and handcuffs the legislature and governor from adopting tenant protections.”—Alice Huffman, President, California State Conference NAACP

“Prop. 10 does nothing to build new affordable housing that families desperately need.”—John Gamboa, Co-Founder, The Two Hundred—a coalition of 200+ social justice leaders

“Under Prop. 10, families searching for affordable housing will find themselves with even fewer choices and more

expensive housing options.”—Robert Apodaca, Executive Director, United Latinos Vote

“For seniors on Social Security and fixed incomes, Prop. 10 could be devastating.”—Marilyn H. Markham, Board Member, California Senior Advocates League

“Prop. 10 allows bureaucrats to tell homeowners what they can and cannot do with their own homes.”—Stephen White, President, California Association of REALTORS

“Prop. 10 would allow unelected bureaucrats to impose fees on all housing, including single-family homes, with no vote of the people or local elected body.”—Jon Coupal, President, Howard Jarvis Taxpayers Association

Join independents, Democrats, Republicans, renters and homeowners, seniors, taxpayers, and minority groups in voting NO on Prop. 10!

ALICE A. HUFFMAN, President
California State Conference of the National Association for the Advancement of Colored People (NAACP)

BETTY JO TOCCOLI, President
California Small Business Association
MARILYN H. MARKHAM, Board Member
California Senior Advocates League

★ **ARGUMENT AGAINST PROPOSITION 10** ★

PROP. 10 IS BADLY FLAWED AND WILL MAKE OUR HOUSING CRISIS WORSE. VOTE NO.

• PROP. 10: BAD FOR CURRENT AND FUTURE HOMEOWNERS

“Prop. 10 could hurt homeowners by authorizing a new government bureaucracy that can tell homeowners what they can and cannot do with their own private residence. It could make homes more expensive for future buyers and hurt families trying to purchase their first home.”—Stephen White, President, California Association of REALTORS

• PROP. 10: BAD FOR RENTERS

“Tens of thousands of renters, INCLUDING SENIORS AND OTHERS ON FIXED INCOMES, could be forced out of their apartments and communities under Prop. 10, which allows wealthy corporate landlords to turn apartments into condos and short-term vacation rentals. It will increase the cost of renting and make it even harder to find affordable housing.”—Alice Huffman, President, California State Conference NAACP

NO ON 10—TOO MANY FLAWS:

• ALLOWS REGULATION OF SINGLE FAMILY HOMES

Prop. 10 repeals protections homeowners have enjoyed for over 20 years, and lets the government dictate pricing for privately owned single-family homes, controlling how much homeowners can charge to rent out their home—or even just a room. Prop. 10 might even lead to bureaucrats charging homeowners a fee for taking their home off the rental market.

• PUTS BUREAUCRATS IN CHARGE OF HOUSING

Prop. 10 puts as many as 539 rental boards in charge of housing, giving government agencies unlimited power to add fees on housing, ultimately increasing rents and making homes and apartments more expensive. These boards may have unlimited power to set their salaries and benefits, while adding fees to housing that will be passed on to tenants in the form of higher rents.

• PUTS TAXPAYERS AT RISK FOR MILLIONS IN LEGAL COSTS

If homeowners, tenants or voters challenge the law in court, Prop. 10 requires California taxpayers to pay the sponsors' legal bills. Taxpayers could be stuck paying millions of dollars for a poorly drafted and flawed measure.

• ADDS TENS OF MILLIONS IN NEW COSTS TO LOCAL GOVERNMENTS

The state's non-partisan Legislative Analyst says Prop. 10 could increase costs for local governments by tens of millions of dollars per year and cost the state millions more in lost revenue. This could result in less money for schools and emergency services, reduced new home construction, and a loss of thousands of well-paid construction jobs.

• DRIVES UP THE COST OF EXISTING HOUSING

New government fees and regulations will give homeowners a huge financial incentive to convert rental properties into more profitable uses like short-term vacation rentals, increasing the cost of existing housing and making it even harder for renters to find affordable housing in the future.

BOTTOM LINE: PROP. 10 HAS TOO MANY FLAWS AND WILL MAKE THE HOUSING CRISIS WORSE.

Learn why voters from every political persuasion and corner of California are voting NO on Prop. 10 at www.ReadItForYourself.com

American G.I. Forum of California, California Senior Advocates League, California State Conference NAACP, California Association of REALTORS, Family Business Association of California, Howard Jarvis Taxpayers Association, California Chamber of Commerce, California Business Roundtable, United Latinos Vote

ALICE A. HUFFMAN, President
California State Conference of the National Association for the Advancement of Colored People (NAACP)

FREDERICK A. ROMERO, State Commander
American G.I. Forum of California

STEPHEN WHITE, President
California Association of REALTORS

★ **REBUTTAL TO ARGUMENT AGAINST PROPOSITION 10** ★

Don't be fooled by the corporate special interests opposing Proposition 10. If they wanted to help renters afford housing, a basic human need, California wouldn't be in this housing crisis. Follow the money: Wealthy real estate interests, corporate landlords and Wall Street investors have profited from the current system for decades. These big corporations shamelessly double or even triple rent because they can get away with it. They make HUGE PROFITS from the housing crisis they helped create. No wonder they don't want to fix it!

Who Supports Prop. 10? Nonprofit organizations, teachers, nurses, retirees, labor, faith-based groups, housing advocates, and California Democratic Party all urge YES because Prop. TEN protects Tenants.

Tenants and homeowners should vote YES to keep communities strong. It enables working people—teachers, firefighters, long-term care workers, grocery clerks—to live in communities they serve, while still affording basic needs like food and childcare. Greedy corporate landlords are forcing too many disabled and seniors on fixed-incomes to choose between rent or medicine, and they're forcing more low-income families into homelessness—a growing, costly crisis.

Prop. 10 doesn't mandate new laws or bureaucracies for

any community—it just gives YOU, the people, the power to develop rent control policies for YOUR community.

People win, not the greedy special interests. The rent is too damn high! YES on TEN to protect Tenants.

SUPPORTED BY CALIFORNIA DEMOCRATIC PARTY; California Nurses Association; Housing California; National Urban League; ACLU of California; AIDS Healthcare Foundation; Property Owners for Fair and Affordable Housing; Painters & Allied Trades 36; Service Employees International Union (SEIU); American Federation of State, County and Municipal Employees (AFSCME); Humboldt and Del Norte Counties Central Labor Council AFL-CIO; California Rural Legal Assistance Foundation; Western Center on Law and Poverty; National Action Network-Los Angeles; Central Coast Alliance United for a Sustainable Economy; and tenant organizations throughout the state.
www.VoteYesOnProp10.org

ERIC C. HEINS, President
California Teachers Association

REV. WILLIAM D. SMART, JR., President, Southern Christian Leadership Conference of Southern California

ROXANNE SANCHEZ, President
SEIU California

REQUIRES PRIVATE-SECTOR EMERGENCY AMBULANCE EMPLOYEES TO REMAIN ON-CALL DURING WORK BREAKS. ELIMINATES CERTAIN EMPLOYER LIABILITY. INITIATIVE STATUTE.

OFFICIAL TITLE AND SUMMARY

PREPARED BY THE ATTORNEY GENERAL

The text of this measure can be found on the Secretary of State's website at <http://voterguide.sos.ca.gov>

- Makes labor law entitling hourly employees to take work breaks for meals and rest, without being on-call, inapplicable to private-sector emergency ambulance employees. Regulates timing of meal breaks for these employees.
- Eliminates employers' liability—in actions pending on or after October 25, 2017—for violations of existing law regarding work breaks. Requires employers to provide training regarding certain emergency incidents, violence prevention, and mental health and wellness.
- Requires employers to provide employees certain mental-health services.

SUMMARY OF LEGISLATIVE ANALYST'S ESTIMATE OF NET STATE AND LOCAL GOVERNMENT FISCAL IMPACT:

- Likely fiscal benefit to local governments (in the form of lower costs and higher revenues), potentially in the tens of millions of dollars each year.

ANALYSIS BY THE LEGISLATIVE ANALYST

BACKGROUND

911 EMERGENCY MEDICAL TRANSPORTATION

Ambulances Provide Emergency Medical Care and Transportation. When a 911 call is made for medical help, an ambulance crew is sent to the location. (Typically, a local fire department vehicle is also sent.) At the scene, the crew provides medical treatment to the patient. If needed, the crew drives the patient to the nearest hospital. (Ambulances also provide nonemergency rides to hospitals or doctors' offices when a patient needs treatment or testing.)

Private Companies Operate Most Ambulances. Private companies own and operate most ambulances in California. They provide about 75 percent of all emergency ambulance rides. In the other 25 percent of cases, the local fire department has its own ambulances and drives patients to the hospital themselves.

Most Ambulance Trips Are Paid for by Health Insurance. State law requires ambulances to transport all patients, even patients who have no health insurance and cannot pay. In most cases, however, insurance pays for ambulance trips. More than two-thirds of ambulance trips are for patients with government insurance, such as Medicare and Medicaid (known as Medi-Cal in California). About 20 percent of trips are for patients with commercial health insurance, typically insurance people get through their job. The other trips are for patients with no insurance.

Commercial Insurance Pays More for Ambulance Trips Than Government Insurance Pays. The average cost of an ambulance trip in California is about \$750. Medicare and Medi-Cal pay ambulance companies a fixed amount for each trip. Medicare pays about \$450 per trip and Medi-Cal pays about \$100 per trip. As a result, ambulance companies lose money transporting Medicare and Medi-Cal patients. Ambulance companies also lose money when they transport patients with no insurance. This is because these patients typically cannot pay for these trips. To make up for these losses, ambulance companies bill patients with commercial insurance more than the average cost of an ambulance trip. On average, commercial insurers pay \$1,800 per trip, more than double the cost of a typical ambulance ride.

THE EMERGENCY AMBULANCE INDUSTRY

Counties Select Main Ambulance Providers. County agencies divide the county into several zones. The ambulance company that is chosen to serve each zone has the exclusive right to respond to all emergency calls in that area. The company generates revenue by collecting payments from patients' insurers. In exchange, the ambulance company pays the county for the right to provide ambulance trips in that area. The county typically chooses the ambulance company through a competitive bidding process. Ambulance companies bid by offering a competitive service—for instance, responding to most 911 calls within a certain amount of time—and a competitive

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

payment to the county. The county picks the best offer and signs a multiyear contract with that company.

Local Ambulance Contracts Reflect Industry Costs in That Area. Ambulance companies propose response time agreements and payment levels to the county that would be profitable for their business. In developing bids, they calculate how much it would cost to provide ambulance services in the area and how much revenue they would generate. This, in turn, would depend on the mix of insurance types in the area. A high share of patients with private insurance means they can expect to generate more revenue. A high share of government-insured and uninsured patients means they would generate less revenue.

To Respond Quickly, Most Ambulances Are Not Stationed at Permanent Locations. Unlike fire department crews, who wait for emergency calls at their permanent location, most ambulance crews are positioned throughout a city or region to anticipate 911 calls. After a 911 call arrives and the nearest ambulance responds, other ambulance crews in the area reposition to cover the area again for the next 911 call. This practice—known as “posting”—lets the ambulance provider meet the response time requirements in its contract while using fewer ambulance crews than would be needed if they were stationed at permanent locations, resulting in lower overall costs.

EMTs AND PARAMEDICS

California’s Ambulance EMTs and Paramedics. There are 17,000 emergency medical technicians (EMTs) and paramedics in California and about 3,600 ambulances. EMTs provide first aid and basic medical care. Paramedics provide advanced medical care. Ambulances have two crew members—two EMTs, an EMT and a paramedic, or two paramedics. Ambulance crews normally work 12-hour shifts.

Some EMTs and Paramedics Receive Mental Health Services. Emergency response personnel—such as police officers, firefighters, EMTs, and paramedics—often experience traumatic events during work. These include work-related injuries, natural disasters, terrorism, or accidents involving children. As a result, people in these jobs have higher rates of post-traumatic stress disorder (PTSD), depression, and suicide than the general public. Many ambulance employers

offer counseling for staff who have experienced a traumatic event. Some employers also provide wellness education and mental health service plans.

Some EMTs and Paramedics Receive Additional Training. State officials, in coordination with private ambulance companies, oversee training to help EMTs and paramedics respond to natural disasters, situations involving active gunfire, and acts of terrorism. These circumstances require special responses—such as removing injured patients from dangerous areas—not included as part of standard EMT or paramedic training.

MEAL AND REST BREAKS FOR EMTs AND PARAMEDICS

Employers Must Follow State Labor Laws About Meal and Rest Breaks. California employers must follow various labor laws, including rules about the state minimum wage, how many hours can be worked, health and safety in the workplace, and meal and rest breaks. Most employers must provide an unpaid 30-minute meal break during each work shift and a paid 10-minute rest break every four hours.

Meal and Rest Breaks Taken by EMTs and Paramedics. In practice, EMTs and paramedics are “on call” for their entire work shift in case they receive an emergency call. This means that their breaks are sometimes interrupted by 911 calls. They can also be interrupted by a request to reposition to a new posting location. As a result, EMTs and paramedics are often unable to plan their meal and rest breaks. At the same time, most ambulance shifts include down time between emergency calls. (Urban areas tend to have less down time than rural areas do.) As a result, crews often have enough down time in their shift to take uninterrupted meal and rest breaks even though they are technically on call.

Recent Court Decision Likely Requires “Off-Duty” Breaks for EMTs and Paramedics. In 2016, the California Supreme Court ruled that on-call breaks violate state labor law. Instead, employers must provide breaks that are off-duty and not interruptible, even if an emergency occurs. The decision was *Augustus v. ABM Security Services*. The case involved private security guards whose employer required that they keep their radios on during breaks. The court awarded the company’s security guards payments due to the violations.

ANALYSIS BY THE LEGISLATIVE ANALYST

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Before the *Augustus* decision was made, EMTs and paramedics had filed several similar lawsuits against private ambulance companies. These lawsuits are still active. Labor laws and industry practices for private security guards are similar to the laws and industry practices for EMTs and paramedics. Due to these similarities, it appears likely that the *Augustus* decision will also apply to EMTs and paramedics in the near future.

Full Compliance With Augustus Decision Would Increase Costs for Ambulance Companies. To follow state law under *Augustus*, ambulance crews would have to go off-duty during their meal and rest breaks. As a result, in order to meet the terms of their existing contracts, ambulance companies would likely have to operate significantly more ambulances in each area than they do now. This would increase costs to ambulance companies—potentially by more than \$100 million each year statewide.

Ambulance Industry Response to Augustus Decision. To address higher costs and still remain profitable, companies would need to raise revenue and/or reduce costs. In response to the *Augustus* decision, ambulance companies could:

- **Negotiate Legal Agreements That Allow Partial Compliance.** In some cases, ambulance companies and EMTs and paramedics could agree to a meal and rest break compromise that is less costly for ambulance companies than providing off-duty breaks. Potential agreements such as these would be a compromise between current industry practice and full compliance with *Augustus*, with costs lower than fully complying with *Augustus*.
- **Increase Insurance Charges.** Ambulance companies could charge commercial insurance companies more for their patients' trips. If commercial insurers agreed to pay these higher rates, this would likely increase health insurance premiums for people with commercial health insurance. As noted earlier, ambulance companies already charge insurers much more than the average cost for an ambulance trip. Ambulance companies might be able to generate some additional revenue from insurance companies, but it appears unlikely that the full cost of compliance with the *Augustus* decision could be covered in this way.

- **Reduce Business Costs.** Ambulance companies could change the way they do business to reduce costs. They could, for instance, lengthen their response times for emergency calls or replace higher paid paramedics with EMTs (who are generally paid lower wages). Ambulance companies would need to negotiate these changes with counties. These types of changes would likely be minor and therefore not provide major cost savings.
- **Smaller Contract Payments to Local Governments.** Ambulance companies could pay counties less for the right to provide ambulance services in each area. In areas that are least profitable, ambulance companies might no longer be able to pay for the right to provide ambulance services in that area. In these cases, counties might need to pay ambulance companies to ensure ambulance services remain available in that area.

Much of These New Costs Would Be Paid by Counties. Although increased costs associated with compliance with *Augustus* would be offset by ambulance companies in a variety of ways, as discussed above, it appears likely that much of these higher costs would be borne by counties.

PROPOSAL

This measure makes changes to state laws that affect private-sector EMTs and paramedics. The measure would not apply to EMTs and paramedics who work for public agencies, such as fire departments. The measure is described in more detail below.

Requires On-Call Meal and Rest Breaks for EMTs and Paramedics. The measure requires EMTs and paramedics to stay on call during their whole shift. In effect, the measure continues the industry practice of requiring EMTs and paramedics to remain on call during breaks. At the same time, however, the measure requires that meal breaks (1) not be during the first or last hour of a shift, and (2) be spaced at least two hours apart. The measure requires ambulance companies to operate enough ambulances to meet these meal break schedules.

Seeks to Limit Costs for Past Practice of On-Call Meal and Rest Breaks. The *Augustus* decision suggests

ANALYSIS BY THE LEGISLATIVE ANALYST

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that the practice of requiring EMTs and paramedics to stay on call during breaks is against the law. Private ambulance companies may now owe penalties for these past violations. Several groups of EMTs and paramedics have sued ambulance companies alleging these violations. These lawsuits are still active. In addition to requiring on-call meal and rest breaks going forward, this measure states that the past industry practice of on-call meal and rest breaks was allowable. This could eliminate costs that ambulance companies may face related to these lawsuits.

Requires Employer-Paid Training and Mental Health Services. The measure requires ambulance companies to offer EMTs and paramedics (1) annual natural disaster, active shooter, and violence prevention training; (2) mental health and wellness education; (3) mental health counseling sessions; and (4) access to long-term mental health services.

FISCAL EFFECTS

As described above, the legal status of labor law requirements on industries such as ambulance services is currently in flux. It appears likely, however, that ambulance companies will be required in the near future to provide off-duty meal and rest breaks. If so, this will have the effect of significantly raising costs of providing ambulance services. These higher costs would affect counties, by reducing ambulance company payments to them and/or by requiring county payments to ambulance companies to ensure adequate service.

Under Proposition 11, however, ambulance companies would avoid most of these new costs, as the measure generally would allow them to continue operating as they have in the past. That is, they could continue to use on-call meal and rest breaks. As a result, Proposition 11 would have the following impacts on ambulance company costs:

- **Lower Net Operating Expenses.** This measure requires EMTs and paramedics to stay on call during breaks. Thus, ambulance companies would not face new ongoing costs—potentially more than \$100 million per year—associated with providing off-duty breaks. At the same time, ambulance companies would need to operate somewhat more ambulances than they do under current practice in order to comply with the measure’s other requirements related

to meal and rest break schedules. This would result in some new costs. On net, these on-call meal and rest break laws would result in lower costs in the high tens of millions of dollars annually for ambulance companies compared to the cost of complying with *Augustus*.

- **Some New Costs to Provide Training and Mental Health Services.** Ambulance companies that do not currently offer the training and mental health services required by this measure would pay new costs to provide them. These benefits would likely cost ambulance companies several million dollars each year.
- **Potential Avoidance of One-Time Costs.** Proposition 11 seeks to limit costs that ambulance companies might face as a result of active lawsuits regarding meal and rest break violations. (The companies could owe payments to workers due to these violations.) Whether the measure limits these costs would likely be determined by the courts. If the measure does eliminate these costs, ambulance companies would avoid unknown, but potentially large, one-time costs.

Fiscal Benefit to Local Governments Due to Lower Net Ambulance Costs. Due to lower net ambulance company costs, this measure would result in fiscal benefits to local governments (in the form of lower costs and higher revenues), potentially in the tens of millions of dollars each year. This is because ambulance companies would avoid increased costs associated with providing off-duty meal and rest breaks. A portion of these benefits would go to insurance companies, but most would go to local governments.

Visit <http://www.sos.ca.gov/campaign-lobbying/cal-access-resources/measure-contributions/2018-ballot-measure-contribution-totals/> for a list of committees primarily formed to support or oppose this measure. Visit <http://www.fppc.ca.gov/transparency/top-contributors/nov-18-gen.html> to access the committee’s top 10 contributors.

If you desire a copy of the full text of the state measure, please call the Secretary of State at (800) 345-VOTE (8683) or you can email vigfeedback@sos.ca.gov and a copy will be mailed at no cost to you.

★ ARGUMENT IN FAVOR OF PROPOSITION 11 ★

PROP. 11 ENSURES YOUR 911 EMERGENCY CARE WILL NOT BE DELAYED

Prop. 11 establishes into law the longstanding industry practice of paying emergency medical technicians (EMTs) and paramedics to remain reachable during their work breaks in case of an emergency—just like firefighters and police officers.

Prop. 11 is needed because a recent California court ruling could stop this longstanding practice and require EMTs and paramedics to be completely unreachable while on break. This means if the closest ambulance to your emergency is on break when you call for help, 911 dispatchers would have NO WAY to reach the ambulance crew because all communications devices would be turned OFF. Prop. 11 ensures your 911 emergency care is not delayed.

“Prop. 11 ensures EMTs and paramedics can quickly respond to provide the critical care you need. It just makes common sense. Vote YES on 11.”—Adam Dougherty, MD, MPH, Emergency Physician

WHEN YOU CALL 911, SECONDS CAN BE THE DIFFERENCE BETWEEN LIFE AND DEATH

It is essential that EMTs and paramedics are able to respond quickly and deliver lifesaving medical care during mass casualty events, like active shooter incidents and natural disasters. Prop. 11 requires that emergency medical crews are paid by their employer to receive additional training that meets FEMA standards for violence prevention, active shooter, mass casualty, and natural disaster incidents. YES on 11.

“As a paramedic, I want to be there when people need help. Prop. 11 makes sure that when lives are at risk,

emergency care will not be delayed and we are prepared to respond to nearly any disaster.”—Daniel Iniguez, Licensed Paramedic

PROP. 11 ENSURES EMTs & PARAMEDICS HAVE WORKPLACE PROTECTIONS

EMTs and paramedics should have workplace protections to ensure they are well-rested. Prop. 11 requires 911 ambulance operators to maintain high enough staffing levels to provide coverage for breaks. Prop. 11 also says emergency medical crews will continue receiving an additional hour of pay if they miss a break and it cannot be made up during their work shift. YES on 11.

PROP. 11 PROVIDES MENTAL HEALTH BENEFITS FOR EMTs & PARAMEDICS

It takes a special type of person to be an EMT or paramedic, and it can sometimes be a stressful job. Prop. 11 requires employers to provide emergency medical crews with mandatory mental health coverage, as well as yearly mental health and wellness training. YES on 11.

Vote YES on Prop. 11 to protect public safety and to ensure EMTs and paramedics can quickly respond when you have an emergency.

Learn more at www.YESon11.org

ADAM DOUGHERTY, MD, MPH, Emergency Physician

CAROL MEYER, RN, Former Director

Los Angeles County Emergency Medical Services Agency

JAISON CHAND, Licensed Paramedic

★ ARGUMENT AGAINST PROPOSITION 11 ★

NO ARGUMENT AGAINST PROPOSITION 11 WAS SUBMITTED

PROPOSITION **12** ESTABLISHES NEW STANDARDS FOR CONFINEMENT OF SPECIFIED FARM ANIMALS; BANS SALE OF NONCOMPLYING PRODUCTS. INITIATIVE STATUTE.

OFFICIAL TITLE AND SUMMARY

PREPARED BY THE ATTORNEY GENERAL

The text of this measure can be found on the Secretary of State’s website at <http://voterguide.sos.ca.gov>.

- Establishes new minimum space requirements for confining veal calves, breeding pigs, and egg-laying hens.
- Requires egg-laying hens be raised in cage-free environment after December 31, 2021.
- Prohibits certain commercial sales of specified meat and egg products derived from animals confined in noncomplying manner.
- Defines sales violations as unfair competition.
- Creates good faith defense for sellers relying upon written certification by suppliers that meat and egg products comply with new confinement standards.
- Requires State of California to issue implementing regulations.

SUMMARY OF LEGISLATIVE ANALYST’S ESTIMATE OF NET STATE AND LOCAL GOVERNMENT FISCAL IMPACT:

- Potential decrease in state income tax revenues from farm businesses, likely not more than several million dollars annually.
- State costs up to \$10 million annually to enforce the measure.

ANALYSIS BY THE LEGISLATIVE ANALYST

BACKGROUND

Agriculture Is a Major Industry in California. California farms produce more food—such as fruit, vegetables, nuts, meat, and eggs—than in any other state. Californians also buy food produced in other states, including most of the eggs and pork they eat. The California Department of Food and Agriculture (CDFA) is responsible for promoting California agriculture and overseeing animal health and food safety.

State Law Bans Cruelty to Animals. For over a century, the state has had laws banning the mistreatment of animals, including farm animals. For example, anyone who keeps an animal in an enclosed area is required to provide it with an exercise area and give it access to shelter, food, and water. Depending on the specific violation of these requirements, a person could be found guilty of a misdemeanor or felony, either of which is punishable by a fine, imprisonment, or both.

Farm Animal Practices Are Changing. There has been growing public interest in the treatment of farm animals. In particular, concerns have been expressed about keeping farm animals in cages and crates. Partly in response to these concerns, various animal farming associations have developed guidelines and best practices to improve the care and handling of farm animals. Also in response to these concerns, many major grocery stores, restaurants, and other companies have announced that they are moving towards requiring that their food suppliers give farm animals more space to move around (for example, by only purchasing eggs from farmers who use “cage-free” housing for hens).

Proposition 2 (2008) Created Standards for Housing Certain Farm Animals. Proposition 2 generally prohibits California farmers from housing pregnant pigs, calves raised for veal, and egg-laying hens in cages or crates that do not allow them to turn around freely, lie down, stand up, and fully extend their limbs. Under Proposition 2, anyone who violates this law is guilty of a misdemeanor.

State Law Banned the Sale of Eggs That Do Not Meet Housing Standards. A state law passed after Proposition 2 made it illegal for businesses in California to sell eggs that they knew came from hens housed in ways that do not meet Proposition 2’s standards for egg-laying hens. This law applies to eggs from California or other states. Any person who violates this law is guilty of a misdemeanor. (The law does not cover *liquid* eggs, which are egg yolks and whites that have been removed from their shells and processed for sale.)

PROPOSAL

Creates New Standards for Housing Certain Farm Animals. This measure (Proposition 12) creates new minimum requirements on farmers to provide more space for egg-laying hens, breeding pigs, and calves raised for veal. These requirements, which apply to farm animals raised in California, would be phased in over the next several years. Figure 1 shows the specific requirements for each animal, when they would be phased in, and how they compare to current law.

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

Figure 1

Minimum Space Requirements Under Current Law and Proposition 12

Square Footage Per Animal

Farm Animal	Current Law ^a	Proposition 12 ^a	
		Starting in 2020	Starting in 2022
Egg-laying hen	Must be able to turn around freely, lie down, stand up, and fully extend their limbs. ^b	1 square foot of floor space	Cage-free housing ^c
Breeding pig		—	24 square feet of floor space
Calf raised for veal		43 square feet of floor space	Unchanged (43 square feet)

^a Current law and Proposition 12 both include some exceptions to minimum space requirements.
^b State regulations generally require 0.8 square feet of floor space per egg-laying hen. There are no similar regulations for breeding pigs or calves raised for veal.
^c Cage-free includes indoor housing systems that provide 1 to 1.5 square feet of floor space per hen and allow hens to move around inside a building.

Second, it could take several years for enough farmers in California and other states to change their housing systems to meet the measure’s requirements. If in the future farmers cannot produce enough eggs, pork, and veal to meet the demand in California, these shortfalls would lead to an increase in prices until farmers can meet demand.

As discussed above, many companies have announced that they are moving towards requiring that their food suppliers give farm animals more space to move around (such as by buying only cage-free eggs). To the extent that this happens, some of the price increases described above would have occurred anyway in future years.

Small Reduction in State Government Revenues.

Because this measure would increase costs for some California farmers who produce eggs, pork, and veal, some of them could choose to stop or reduce their production. To the extent this happens, there could be less state income tax revenues from these farm businesses in the future. The reduction statewide likely would not be more than several million dollars each year.

State Oversight Costs. CDFA would have increased workload to enforce this measure. For example, the department would have to check that farmers in California and other states that sell to California use animal housing that meets the measure’s requirements. CDFA would also make sure that products sold in California comply with the measure’s requirements. The **cost of this additional workload could be up to \$10 million annually.**

Visit <http://www.sos.ca.gov/campaign-lobbying/cal-access-resources/measure-contributions/2018-ballot-measure-contribution-totals/> for a list of committees primarily formed to support or oppose this measure. Visit <http://www.fppc.ca.gov/transparency/top-contributors/nov-18-gen.html> to access the committee’s top 10 contributors.

If you desire a copy of the full text of the state measure, please call the Secretary of State at (800) 345-VOTE (8683) or you can email vigfeedback@sos.ca.gov and a copy will be mailed at no cost to you.

Bans the Sale of Products That Do Not Meet New Housing Standards. The measure also makes it illegal for businesses in California to knowingly sell eggs (including liquid eggs) or uncooked pork or veal that came from animals housed in ways that do not meet the measure’s requirements. This sales ban applies to products from animals raised in California or out-of-state. The sales ban generally does not apply to foods that have eggs, pork, or veal as an ingredient or topping (such as cookie dough and pizza). Violation of the housing requirements or sales ban would be a misdemeanor, and a violation of the sales ban could also be subject to a fine in civil court. This measure also requires CDFA and the California Department of Public Health to write regulations to implement its requirements.

FISCAL EFFECTS

Consumer Prices Likely to Increase. This measure would likely result in an increase in prices for eggs, pork, and veal for two reasons. First, this measure would result in many farmers having to remodel or build new housing for animals—such as by installing cage-free housing for hens. In some cases, this housing also could be more expensive to run on an ongoing basis. Much of these increased costs are likely to be passed through to consumers who purchase the products.

★ ARGUMENT IN FAVOR OF PROPOSITION 12 ★

YES ON PROP. 12—STOP ANIMAL CRUELTY

The *Humane Society of the United States*, *ASPCA*, and nearly 500 California veterinarians endorse Prop. 12. Voting YES prevents baby veal calves, mother pigs, and egg-laying hens from being crammed inside tiny cages for their entire lives. It will eliminate inhumane and unsafe products from these abused animals from the California marketplace. Voting YES reduces the risk of people being sickened by food poisoning and factory farm pollution, and helps family farmers.

VOTE YES ON PROP. 12 TO:

PREVENT CRUELTY TO ANIMALS. It's cruel to confine a baby calf in a tiny cage. Taken away from his mother shortly after birth, he's confined in that abusive way until he's sent to slaughter—at just four months old.

A mother pig shouldn't be locked in a tiny, metal cage where she can barely move. She's trapped, forced to live in this small amount of space for nearly four years.

It's wrong to cram a hen tightly in an overcrowded, wire cage for her entire life. She's forced to eat, sleep, defecate, and lay eggs in the same small space every single day.

PROTECT OUR FAMILIES FROM FOOD POISONING AND FACTORY FARM POLLUTION. In the past decade, there have been recalls of nearly a billion eggs from caged chickens because they carried deadly *Salmonella*. Scientific studies repeatedly find that packing animals in tiny, filthy cages increases the risk of food poisoning. Even *Poultry World*, a leading egg industry publication admitted, "*Salmonella thrives in caged housing.*"

That's why the *Center for Food Safety* and *National Consumers League* both endorse YES on Prop. 12. *The American Public Health Association* called for a moratorium on new animal confinement operations because they pollute the air and ground water, and diminish the quality of life for nearby homeowners.

HELP FAMILY FARMERS AND GROW THE CALIFORNIA ECONOMY. Mega-factory farms that cage animals cut corners and drive family farmers out of business. By voting YES on Prop. 12 we can create sensible standards that keep family farmers in business—and allow them to grow. Since cage-free farms employ more workers, this measure would create *more jobs* for hardworking farming families.

That's why *California family farmers* and the *United Farm Workers* endorse Prop. 12.

A COMMON-SENSE REFORM

- Prop. 12 strengthens a decade-old animal cruelty law and provides ample phase-in time for producers to shift to cage-free practices.
- Over 200 major food companies like *Walmart*, *McDonald's*, *Taco Bell*, *Burger King*, *Safeway*, and *Dollar Tree* have committed to using cage-free products.
- A dozen states have passed laws addressing the cruel caging of farm animals.
- The YES vote is endorsed by *Catholic*, *Presbyterian*, *Episcopal*, *Methodist*, *Jewish*, *Evangelical*, and *Unitarian* faith leaders, and *local animal shelters across California*. We wouldn't force our dog or cat to live in a filthy, tiny cage for her whole life; we shouldn't allow any animal to endure such suffering either. All animals, including farm animals, deserve protection from cruelty and abuse.

www.YesOn12CA.com

CRYSTAL MORELAND, California State Director
The Humane Society of the United States

DR. JAMES REYNOLDS, DVM, MPVM, DACAW, Professor
of Large Animal Medicine and Welfare

Western University College of Veterinary Medicine
ANDREW DECORLIOS, Director of Strategic Programs and
Engagement
Farm Forward

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 12 ★

Proposition 12 is a cruel betrayal of animals and voters.

The argument for Proposition 12 consists entirely of platitudes, and it avoids any mention of United Egg Producers, the *acceptance* of CAGES through at least 2022, allowing just *ONE SQUARE FOOT* of space per hen, or any other specifics about what the initiative actually *does*.

In other words, the scandal-ridden Humane Society of the United States is back to its old tricks.

The same group that said California hens would be cage free by 2015, that Michael Vick would be a "good pet owner," that embraces SeaWorld, and lost millions of dollars in a Racketeer Influenced and Corrupt Organizations Act lawsuit, is back.

HSUS is *again* promising to ban egg-industry cages—even though it famously spent the last decade claiming that it *already did!*

Meanwhile, they're attacking whistleblowers.

"We know when a charity fails the most basic obligations of trust. Instead of attacking women who've suffered

abuse, HSUS should change its own culture."—National Organization of Women

When women mobilized against the toxic culture at HSUS, it stemmed from multiple allegations of sexual harassment and misconduct against Proposition 12's chief architect, now former CEO, Wayne Pacelle. HSUS's first response was to question the *women's* integrity.

That tactic is now being used against conscientious animal advocates opposed to Proposition 12.

The inescapable reality is this: If not for HSUS's negligence, California hens would be cage-free *at this very moment*. Let's not fall for the same trick—twice.

www.StopTheRottenEggInitiative.org

MARK EMERSON, Advisory Board Member
Californians Against Cruelty, Cages, and Fraud

ERIC MILLS, Coordinator
Action for Animals

PETER T. BROWN, Advisory Board Member
Friends of Animals

★ ARGUMENT AGAINST PROPOSITION 12 ★

Vote NO: Prevent Cruelty, Cages, and Fraud.

The DC-based Humane Society of the United States (HSUS) is once again buying its way onto California's ballot, deceiving voters, flip-flopping on the issue of cages, and perpetuating the suffering of *millions* of egg-laying hens.

Falsely promoted as a "cage-free" measure, Proposition 12, in fact, explicitly *legalizes* the continued use of egg-factory cages for years to come.

Proposition 12 is the result of a public relations alliance between HSUS and the egg industry's national trade association, United Egg Producers.

At taxpayer expense, they are misusing California's initiative process in order to replace our current hen-housing law with the guidelines of United Egg Producers.

Proposition 12 legalizes the cruel cages Californians overwhelmingly voted to prohibit ten years ago.

California's current law (Prop. 2) states that egg-laying hens be given enough room to:

" . . . fully spread both wings without touching the side of an enclosure or other egg-laying hens."

Proposition 12 would *repeal* that voter-enacted law in order to allow egg factories to provide each hen with just **ONE SQUARE FOOT** of cage or floor space.

Proposition 12 is a cruel betrayal of farm animals and of California voters.

Due to the negligent drafting of 2008's Prop. 2, millions of egg-laying hens *still* suffer in egg-factory cages throughout California.

Nevertheless, the egg-buying public has been told repeatedly that Prop. 2 successfully "banned" those cages. For an entire decade that has been HSUS's most cherished promotional claim.

Now, without so much as a passing mention that *California was supposed to be cage free by 2015*—proponents are back with yet another set of false promises.

Only this time they say Californians will have to wait for the year *2022!* And even that date is tentative. Proposition 12 was expressly written to allow the Legislature to make changes at any time *without* the consent of voters.

Proposition 12 does nothing to help pigs or calves.

For misdirection, the very same people who botched Prop. 2, and who promised that California would be "cage-free" by 2015, are now claiming that Proposition 12 will regulate the practices of *out-of-state* pork and veal producers. No one should fall for that ploy.

Even in the unlikely event that Proposition 12's constitutionally flawed provisions survive the inevitable years of legal challenges (the defense of which comes at *taxpayer* expense), Congress is already advancing legislation to render all such interstate regulations null and void.

And while claiming to regulate *other* states, Proposition 12 *allows* the cruel confinement of dairy calves right here in California!

Proposition 12 is a reckless exploitation of California's initiative process which not only harms farm animals, but it also puts in grave danger a wide array of existing consumer, animal, and environmental protection laws.

This rotten egg initiative should be decisively rejected.

Find out why People for the Ethical Treatment of Animals; Friends of Animals; the Humane Farming Association; Californians Against Cruelty, Cages, and Fraud; and many others all OPPOSE Proposition 12.

Please visit: www.NoOnProposition12.org

BRADLEY MILLER, President
Humane Farming Association (HFA)

PETER T. BROWN, Advisory Board Member
Friends of Animals (FoA)

LOWELL FINLEY, Treasurer
Californians Against Cruelty, Cages, and Fraud

★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 12 ★

YES on Prop. 12 stops the cruel and inhumane treatment of farm animals. That's why the most trusted voices on animal cruelty, sustainable farming, and food safety endorse YES on Prop. 12: nearly 500 California veterinarians, California family farmers, California animal shelters, ASPCA, Humane Society of the United States, Center for Food Safety, United Farm Workers, and National Consumers League.

The fringe group opposing Prop. 12—the so-called "Humane Farming Association"—has a history of joining polluting factory farms in opposing animal cruelty laws and has been supported by animal fighters, with one underground publication boasting that HFA's attack on animal protection charities "helps the cockfighters!"

The facts: A decade ago, Californians overwhelmingly passed a law giving farm animals more space. It led many egg and pork producers to phase-out cages, and McDonald's, Safeway, Burger King, and hundreds of other companies to start switching to cage-free products. But some factory farms—including those opposing Prop. 12—have found ways around the law and still

confine animals in cages. *That's exactly why Prop. 12 is needed.*

Prop. 12 *strengthens* cruelty laws by providing improved protections, including better living conditions, minimum space requirements, and cage-free housing, with a phase-in timetable that safeguards family farmers.

As the ballot language clearly shows, Prop. 12 prevents the extreme confinement of egg-laying hens, *and* veal calves, and pigs. *These animals deserve protection from abuse.*

YES for humane treatment of farm animals. YES for food safety. YES for family farmers. YES for mercy and common sense.

www.YesOn12CA.com

DR. BARBARA HODGES, DVM, MBA, Veterinary Adviser
Humane Society Veterinary Medical Association

JEFF PETERSON, General Manager
Central Valley Eggs

BROOKE HAGGERTY, Executive Director
Animal Protection and Rescue League

OVERVIEW OF STATE BOND DEBT

PREPARED BY THE LEGISLATIVE ANALYST

This section describes the state's bond debt. It also discusses how the bond measures on the ballot, if approved by voters, would affect state costs to repay bonds.

State Bonds and Their Costs

What Are Bonds? Bonds are a way that governments and companies borrow money. The state government uses bonds primarily to pay for the planning, construction, and renovation of infrastructure projects such as bridges, dams, prisons, parks, schools, and office buildings. The state sells bonds to investors to receive "up-front" funding for these projects and then repays the investors, with interest, over a period of time.

Why Are Bonds Used? A main reason for issuing bonds is that infrastructure typically provides services over many years. Thus, it is reasonable for people, both currently and in the future, to help pay for the projects. Also, the large costs of these projects can be difficult to pay for all at once.

What Are the Main Types of Bonds? The two main types of bonds used by the state are general obligation bonds and revenue bonds. One difference between general obligation bonds and revenue bonds is how they are repaid. The state typically repays general obligation bonds using the state General Fund (the state's main operating account, which it uses to pay for education, prisons, health care, and other services). The General Fund is supported primarily by income and sales tax revenues. The state often repays revenue bonds from other sources, such as fees paid by users of the funded project (such as from bridge tolls). Another difference between state general

obligation and revenue bonds is how they are approved. General obligation bonds issued by the state have to be approved by voters, while revenue bonds do not.

What Are the Costs of Bond Financing?

After selling bonds, the state makes annual payments over the next few decades until the bonds are paid off. (This is similar to the way a family pays off a mortgage.) The state pays more for a project funded by bonds than if the state does not borrow money for the project because of the interest costs. The amount of additional cost depends primarily on the interest rate and the time period over which the bonds have to be repaid.

Bonds and the State Budget

Amount of General Fund Debt. The state has about \$83 billion of General Fund-supported bonds on which it is making annual principal and interest payments. In addition, the voters and the Legislature have approved about \$39 billion of General Fund-supported bonds that have not yet been sold. Most of these bonds are expected to be sold in the coming years as additional projects need funding. Currently, we estimate that the state is paying about \$6 billion annually from the General Fund to repay bonds.

Propositions on This Ballot. There are three general obligation bond measures on this ballot. Together, these measures would authorize the state to borrow an additional \$14.4 billion:

- Proposition 1 would allow the state to borrow \$4 billion for affordable housing and veterans-related programs. (Of this total, \$1 billion would be for a veterans' home loan program, which is expected to be repaid by veterans

OVERVIEW OF STATE BOND DEBT

CONTINUED

participating in the program rather than the General Fund.)

- Proposition 3 would allow the state to borrow \$8.9 billion for water and other environmental projects.
- Proposition 4 would allow the state to borrow \$1.5 billion for certain hospitals that treat children.

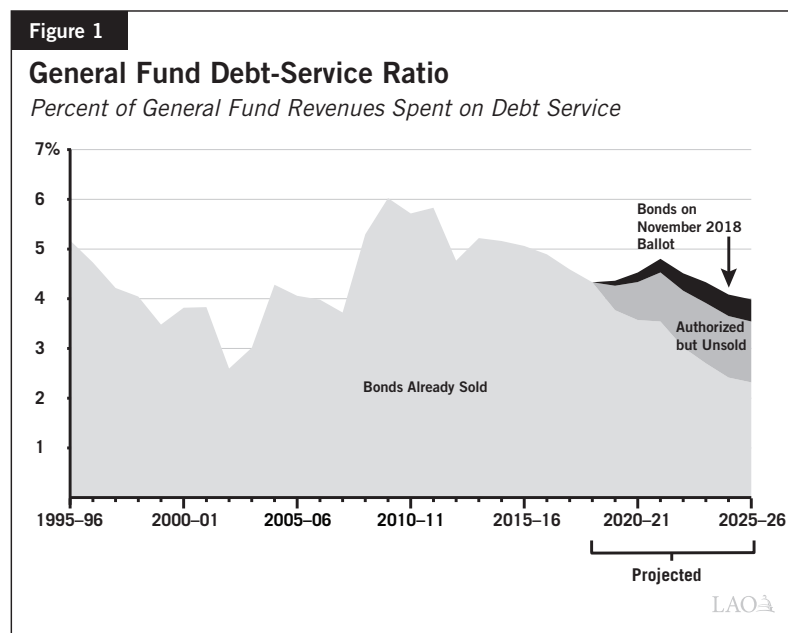
In addition, one measure on the ballot, Proposition 2, would allow the state to use up to \$2 billion in revenue bond funds to provide housing for the homeless mentally ill. These bonds would be repaid by revenues set aside for mental health programs, not the General Fund.

This Election’s Impact on Debt Payments.

We estimate that the total cost (including interest) to pay off the three general obligation bond measures on this ballot would be about \$26 billion. These costs would be paid off over about 40 years, resulting in average costs of \$650 million per year. This is 11 percent more than the state currently spends from the General Fund on its bond debt. The exact costs would depend on the specific details of the bond sales.

This Election’s Impact on the Share of State Revenues Used to Repay Debt.

One indicator of the state’s debt situation is the portion of the state’s annual General Fund revenues that must be set aside to pay for bond debt. This is known as the state’s debt-service ratio (DSR). Because these revenues must be used to repay debt, they are not available to spend on other state programs. As shown in Figure 1, the DSR is now a little above 4 percent. If voters do not approve any of the proposed bonds on this ballot, we project that the state’s DSR on already approved bonds will grow over the next few years—peaking at just over 4.5 percent in 2021–22—and then begin decreasing. If voters approve all of the proposed general obligation bonds on this ballot, we project it would increase the DSR by less than one-half of one percentage point compared to what it would otherwise have been. The state’s future DSR would be higher than shown in the figure if the state and voters approve additional bonds in the future.



Information About Candidate Statements

In This Guide

This voter guide includes information about U.S. Senate and statewide constitutional office candidates which begins on page 75 of this guide.

United States Senate candidates can buy space for their candidate statement in this voter guide. Some candidates, however, choose not to buy space for a statement.

The candidates for U.S. Senate are:

Kevin de León	Democratic
Dianne Feinstein	Democratic

California law includes voluntary spending limits for candidates running for state office (not federal office). Statewide constitutional office candidates for Governor, Lieutenant Governor, Secretary of State, Controller, Treasurer, Attorney General, Insurance Commissioner, Superintendent of Public Instruction, and Board of Equalization who choose to keep their campaign expenses under specified dollar amounts may buy space for a candidate statement (up to 250 words) in this voter guide.

The voluntary spending limit for candidates for Governor in the November 6, 2018, General Election is \$14,588,000.

The voluntary spending limit for candidates for Lieutenant Governor, Secretary of State, Controller, Treasurer, Attorney General, Insurance Commissioner, and Superintendent of Public Instruction in the November 6, 2018, General Election is \$8,753,000.

The voluntary spending limit for candidates for the Board of Equalization in the November 6, 2018, General Election is \$2,188,000.

In the candidate list below, an asterisk (*) designates a statewide constitutional office candidate who accepted California's voluntary campaign spending limits and therefore has the option to buy space for a candidate statement in this voter guide. (Some eligible candidates choose not to buy space for a candidate statement.)

Statewide constitutional office candidate statements are on pages 75–88 of this voter guide.

The following list of candidates for statewide constitutional office is current through August 13, 2018—the end of the public display period required for this voter guide. For the final certified list of candidates, which was due after this guide was published, go to www.sos.ca.gov/elections/candidate-statements/.

Governor

John H. Cox*	Republican
Gavin Newsom	Democratic

Lieutenant Governor

Eleni Kounalakis*	Democratic
Ed Hernandez*	Democratic

Secretary of State

Alex Padilla*	Democratic
Mark P. Meuser*	Republican

Controller

Betty T. Yee*	Democratic
Konstantinos Roditis*	Republican

Treasurer

Greg Conlon*	Republican
Fiona Ma*	Democratic

Attorney General

Steven C. Bailey*	Republican
Xavier Becerra*	Democratic

Insurance Commissioner

Ricardo Lara*	Democratic
Steve Poizner*	No Party Preference

Board of Equalization Member District 1

Ted Gaines*	Republican
Tom Hallinan*	Democratic

Board of Equalization Member District 2

Malia Cohen*	Democratic
Mark Burns*	Republican

Board of Equalization Member District 3

Tony Vazquez*	Democratic
G. Rick Marshall*	Republican

Board of Equalization Member District 4

Mike Schaefer*	Democratic
Joel Anderson*	Republican

Superintendent of Public Instruction

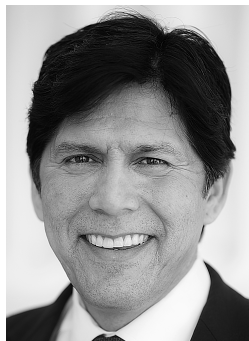
Tony K. Thurmond*	No Party Preference
Marshall Tuck*	No Party Preference

CANDIDATE STATEMENTS

UNITED STATES SENATOR

-
- Serves as one of two Senators who represent California's interests in the United States Congress.
 - Proposes and votes on new national laws.
 - Votes on confirming federal judges, U.S. Supreme Court Justices, and many high-level presidential appointments to civilian and military positions.
-

Kevin de León | DEMOCRATIC



I am honored to be the California Democratic Party's endorsed candidate for the U.S. Senate. The President is hell-bent on dividing our people and demeaning our California ideals. The Washington status quo is either unwilling or incapable of fighting back. Californians deserve a Senator who will fight for their futures with passion and independence. Like many of us chasing the American dream, I understand nothing is handed to you. Only in America could an immigrant housekeeper's son, like me, grow up to lead the California Senate. I've shared your life experiences—struggling to pay for housing, worrying about college tuition and covering healthcare costs. It's a struggle too few Washington DC leaders understand. With millionaires occupying two-thirds of the Senate, it's easy to understand how they have gotten so out of touch with everyday Americans. Despite their rhetoric, DC Democrats are dragging their feet on *Medicare-for-all* and climate change, fearing oil and drug company lobbyists. As California Senate President, I never settled for small thinking. I took on big insurance companies, fighting to provide healthcare for everyone. I fought *Trump's tax hikes* to protect the middle class; advanced *tuition-free college, pay equity, immigrant rights and civil rights*; and made California a world leader in the *fight against climate change*. We need bold leadership in the Senate to get this country on the right track, with an economy that works for all of us, not just the rich. I will bring proven California leadership to the U.S. Senate.

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Dianne Feinstein | DEMOCRATIC



As California's Senator, I work hard every day to be a strong and effective voice for our state's progressive values, and I was proud to win the California Primary election with 70% of the Democratic vote. I'm a consistent advocate for universal health care, women's rights, LGBTQ rights and the rights of immigrants. I've taken on the NRA to get assault weapons off our streets, fought for equal pay for women, and sponsored legislation to protect Dreamers and end the outrageous policy of separating children from their parents at the border. I've championed economic opportunity that lifts all Californians, especially working families who struggle in today's economy. I strongly oppose Donald Trump and his agenda that divides our nation and diminishes our alliances around the world. I helped defeat Republican efforts to repeal and sabotage the Affordable Care Act. As ranking Democrat on the Senate Judiciary Committee, I have strenuously opposed Trump's nomination of extremist judges. I am fighting to protect women in the workplace and passed a law this year that protects young women gymnasts and other amateur athletes from sexual predators. And I will continue to confront and stop Trump's reckless anti-environment agenda, including his rejection of climate change, his attacks on California's protected lands and his threats to grant new oil drilling permits off California's coast. Endorsed by President Barack Obama and Senator Kamala Harris, I ask for your vote so that I can continue to stand up for California in these challenging times.

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The order of the statements was determined by randomized drawing. Statements on this page were supplied by the candidates and have not been checked for accuracy. Each statement was voluntarily submitted and paid for by the candidate. Candidates who did not submit statements could otherwise be qualified to appear on the ballot.

CANDIDATE STATEMENTS

GOVERNOR

- As the state’s chief executive officer, oversees most state departments and agencies, and appoints judges.
 - Proposes new laws, approves or vetoes legislation, and submits the annual state budget to the Legislature.
 - Mobilizes and directs state resources during emergencies.
-

John H. Cox | REPUBLICAN



I wasn't supposed to make it into this run-off for Governor. I'm not part of the political class, wasn't born rich, no family with political connections. My name is John Cox, and I think what the political class has done to working people in California is a crime. They've rigged the game, trading favors and enriching themselves, while millions of forgotten Californians have been left behind. We have sky-high gas prices and vehicle fees, with the highest poverty rate in the country. Where millions commute to cities they love, but can't afford to live in. So, they commute on roads that are a mess. They send their children to failing schools. Sacramento politicians ration water in our homes, while emptying our abundant water supply into the ocean. Our friends and family are moving out of California—not because they want to, but because they have to. Where for too many Californians, it's a choice between buying gas to get to work, or groceries to feed the family. That's a choice none of us should have to make. The good news—we don't have to put up with this, *because help is on the way*. We can stop the water rationing, repeal the gas tax, fix our schools, and make housing affordable again, but only if we're willing to hold our failed political leaders accountable. I'm John Cox and I want to be *your* governor.

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Twitter: [@TheRealJohnHCox](https://twitter.com/TheRealJohnHCox)

Gavin Newsom | DEMOCRATIC

No candidate statement.

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CANDIDATE STATEMENTS

LIEUTENANT GOVERNOR

- Assumes the office and duties of Governor in the case of impeachment, death, resignation, removal from office, or absence from the state.
- Chairs the Commission for Economic Development; is a member of the State Lands Commission, and the Ocean Protection Council; and sits on the boards of the California university systems.
- Serves as president of the State Senate and has a tie-breaking vote.

Eleni Kounalakis | DEMOCRATIC



I am a businesswoman, mother, and former U.S. Ambassador under President Obama. I'm running for Lieutenant Governor to protect California's values of diversity and opportunity—because they power our economy. I'm proud to be endorsed by *Senator Kamala Harris, Senator Dianne Feinstein, California League of Conservation Voters, National Organization for Women and California Federation of Teachers*. As the daughter of an immigrant and the first college graduate in my family, I'll fight for affordable education by *opposing tuition hikes* at our UCs, CSUs, and community colleges. I'll work to change the political culture in Sacramento to *stop sexual harassment* in workplaces everywhere, hold perpetrators accountable, and ensure *women receive equal pay* for equal work. As a U.S. Ambassador, I traveled with our military and know that promoting Democracy abroad means *supporting our veterans* when they come home. I believe in quality, *affordable childcare* and *universal healthcare*. I'll Chair the State Lands Commission and fight against Donald Trump's plan to open California's coast for more offshore oil drilling. As a businesswoman, I built major infrastructure projects, created jobs for Californians, and delivered affordable housing for working families. I understand that we must build an economy that lifts up all Californians and protects the American Dream. *I traveled to all 58 counties* and heard your stories. I'll always listen to the voices of all Californians. Thank you for your consideration and your vote.

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Ed Hernandez | DEMOCRATIC



Dr. Ed Hernandez, State Senator and small businessman, is running for Lieutenant Governor to expand access to healthcare, lower the cost of prescription drugs, fight for working families, protect our environment, and make higher education more accessible and affordable. A father and grandfather, Hernandez has spent his life serving the healthcare needs of his community by bringing quality eye care to working families in the San Gabriel Valley. The grandson of immigrants, Hernandez grew up in a working-class community in L.A. County, worked his way through college, and built a successful small family business with his wife. As a healthcare provider, Senator Hernandez led the fight to make healthcare more affordable and accessible, passing a landmark law that cracks down on big pharmaceutical corporations for skyrocketing prescription drug costs by creating new, tough transparency rules to help lower drug prices. As a leader in the State Senate, Hernandez has helped pass laws to protect access to clean air and clean water, increase funding for schools and career education programs, and provide one year of free community college. State Senator Ed Hernandez is also helping lead the effort to end Sacramento's culture of silence to protect people from sexual harassment, hold abusers accountable, and remove offenders from office. Hernandez is endorsed by California's Teachers, Firefighters, Police, Nurses, Planned Parenthood, State Controller Betty Yee, and California Attorney General Xavier Becerra because they know he will stand up for families against corporate special interests. Vote Senator Ed Hernandez for California Lieutenant Governor.

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CANDIDATE STATEMENTS

SECRETARY OF STATE

- As the state's chief elections officer, oversees statewide elections and provides public access to campaign and lobbying financial information.
 - Maintains certain business filings, authenticates trademarks, regulates notaries public, and enables secured creditors to protect their financial interests.
 - Preserves California's history by acquiring, safeguarding, and sharing the state's historical treasures.
-

Alex Padilla | DEMOCRATIC



I'm running to continue serving as your Secretary of State. This is a critical time for voting rights and I have a proven record of getting results. In my first term, I've worked to expand access to the ballot box, protect our elections' security, and *because of my work, California is now adding millions of eligible voters to its rolls*. Our Secretary of State must deliver for Californians. *As President of Los Angeles City Council, State Senator, and your Secretary of State, I've done just that*. I respectfully ask for your vote. Visit Alex-Padilla.com to learn more.

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Mark P. Meuser | REPUBLICAN



Elections Matter. Recently, the Election Integrity Project of California filed a lawsuit where they alleged that California has more registered voters than eligible voters, 101% to be precise. *Los Angeles County alone has 144% voter registration*. Bloated voter rolls cost the taxpayers money to send unnecessary balloting materials. They also increase the opportunity for fraud. We need to remove from the rolls, those who have died, have moved, non-citizens, duplicate and fictitious registrations. Elections are critical to enable Californians to inform our government how we desire to be governed. Fair elections begin with accurate voter rolls, where only those who are eligible to vote are registered. *The Secretary of State is responsible for maintaining the voter rolls*. If the rolls remain bloated, special interests are able to use money and influence to elect bought and paid for politicians. Every day, I hear first-hand accounts of Californians who have watched as a non-citizen voted or learned that a dead relative voted. I am native Californian who practices Constitutional and Election law. When I see an injustice, I stand up and help those in need. I have fought for the rights of the disabled and the free speech rights of college students, and I have won. Now I ask you to vote for me to clean up California's bloated voter rolls. I will use technology and databases to clean up our voter rolls so that unauthorized votes do not dilute our voice. *Elections Matter*.

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CANDIDATE STATEMENTS

CONTROLLER

- As the state's chief fiscal officer, serves as the state's accountant and bookkeeper of all public funds.
- Administers the state payroll system and unclaimed property laws and conducts audits and reviews of state operations.
- Serves on the Board of Equalization, the Board of Control, and other boards and commissions.

Betty T. Yee | DEMOCRATIC



Thank you for the privilege and opportunity to serve as State Controller, California's independent fiscal watchdog. I am proud of the accomplishments of my office during my first term to safeguard our tax dollars: expertly managing the State's cash, avoiding any external borrowing to pay the bills for California; diligently uncovering close to \$4 billion in public funds directed towards unallowed uses during state and local agency audits; aggressively improving state and local government financial reporting for increased transparency; and successfully reforming the State Board of Equalization to ensure uniform application of state tax laws and protecting taxpayer rights. With respect to my policy work on numerous boards and commissions, I am focused on providing retirement security for public and private sector workers and environmental stewardship to protect access to public trust lands and beaches and to address community impacts from port air quality and sea level rise. Looking ahead, I will continue to prepare California for the next economic downturn as well as serve as a leading voice on the economic effects to Californians of the changing nature of work and global climate change. I am grateful for the support of California's educators, women's organizations, environmental community, the women and men of the building and construction trades and law enforcement, and more who recognize the need for my 35 years of state and local finance experience, reputation for fairness, commitment to accountability, and tough-minded discipline in the office of State Controller. I would be honored to earn your vote.

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Konstantinos Roditis | REPUBLICAN



The Controller's office doesn't think you pay enough taxes. They want to tax your doctor's visit, childcare, home and vehicle repairs, haircut, you name it they want to tax it. The result, you will pay hundreds if not thousands more a year in taxes. No on a Service and Labor Tax. We can't afford it. As Controller, I will fight to make California affordable, not seeking new ways to tax you. *Yes on Prop 6*: Politicians waste billions and only use 20% of gas tax funds towards road repairs. We pay four times more to fix a road than Texas. We have the money. As Controller, I will expose and stop the corrupt political backroom deals and end the waste, fraud, and abuse. *Defund the High-Speed Rail*: As Controller, I will Audit and Defund HSR on day-one. *Environmentally Smart Policies*: Don't waste billions of gallons of water and refuse to capture it and then look to tax us for using more than 55-gallons of water a day for our entire family. I will focus on solutions, not tax increases. Since the Controller is the Chief Financial Officer (CFO) of California, doesn't it makes sense to have a CFO and visionary businessman that understands economics, fiscal responsibility, and balancing a budget as your next Controller? It's time for a principled independent-minded Controller with no union, corporate, or special interest money. Vote to make California affordable. Vote for solutions, not tax increases. Vote Konstantinos Roditis for Controller.

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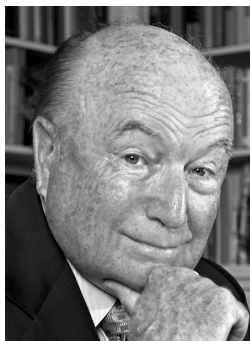
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CANDIDATE STATEMENTS

TREASURER

- As the state’s banker, manages the state’s investments, and administers the sale of state bonds and notes.
- Serves on several commissions, most of which are related to the marketing of bonds.
- Pays out state funds when spent by the Controller and other state agencies.

Greg Conlon | REPUBLICAN



California needs a Republican who can exercise prudent fiscal responsibility to fix the State’s vulnerable financial condition. The generous pensions granted public employees has caused irresponsible unfunded pension and health care liabilities of nearly \$300 billion. California’s Treasurer serves on both State Pension Plan Boards—CalPERS and CalSTRS. I will bring my experience “to get the job done” on these Boards by addressing the unfunded pension liabilities by working to start a new defined contribution plan for new employees. My 20-plus years of experience as a CPA with an international public accounting firm will bring the financial knowledge needed to prudently invest California’s funds and improve the State’s low credit rating. I also will work to eliminate the \$800 minimum State Franchise Income Tax to help start-up corporations. I have public-sector experience relevant to the State Treasurer’s office. This includes running the California Public Utilities Commission as its President and serving on the California Transportation Commission. I also headed the Finance Committee of the Town of Atherton. I hold a bachelor’s degree in business at the University of Utah, Executive Business Training Program at the Haas School of Business at UC Berkeley and a J.D. degree from University of San Francisco. I served as an Air Force pilot. I have received numerous endorsements, including the California Republican Party and former U.S. Secretary of the Treasury George P. Shultz. I humbly ask for your vote and pledge to work every day, so our great State of California can become a stronger economy.

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Fiona Ma | DEMOCRATIC



As a CPA with experience in tax law and in balancing budgets I am qualified to serve as State Treasurer from Day 1 and will be able to manage California’s investments with full accountability and transparency. *I have been a Certified Public Accountant (CPA) since 1992, and have a B.S. in Accounting, M.S. in Taxation and an MBA in Finance.* I stand for *checks & balances and public accountability.* That’s why I led the major overhaul to restore trust in the State Board of Equalization. I have balanced budgets at the local level, at the state level during the Great Recession, and have overseen the collection of \$60 billion in state revenues. I will create a robust first-time homebuyer program to make housing more accessible to all Californians. I will work to alleviate high student loan debt. I was born with a preexisting health condition and personally understand the urgent need for quality, accessible and *affordable healthcare.* Because my husband is a firefighter I know first-hand the importance of investing in our first responders. As State Treasurer, I will oversee investments in *affordable housing, infrastructure, schools, hospitals, environmental protection and transportation.* I will continue to safeguard our tax dollars, invest wisely to ensure positive returns and make sure government works with *accountability and transparency.* I’m proud to have the support of *U.S. Senator Kamala Harris, the California Teachers Association, California Professional Firefighters and California Small Business Association.* I would be honored to have your vote. Thank you for your consideration.

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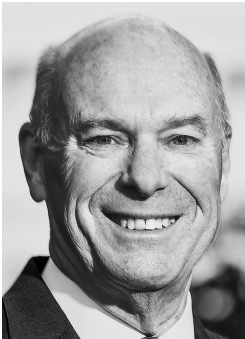
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CANDIDATE STATEMENTS

ATTORNEY GENERAL

- As the state's chief law officer, ensures that state laws are enforced and investigates fraudulent or illegal activities.
- Heads the Department of Justice, which provides state government legal services and representing the state in civil and criminal court cases.
- Oversees law enforcement agencies, including county district attorneys and sheriffs.

Steven Bailey | REPUBLICAN



As a retired Judge of the California Superior Court, I know how to keep Californians safe from violent crime, which is now rising because of three dangerous laws passed in recent years—Propositions 47, 57 and AB 109. These dangerous experiments led to the early release of sex offenders, reduced the penalties for many offenses, and reduced or eliminated important tools used by judges to keep dangerous criminals—including gang members and repeat offenders—away from our homes and neighborhoods. Women, the elderly, and young people are increasingly the victims of violent crime—this must end. My first priority as Attorney General will be the safety and security of all Californians. That's why crime victim advocates and law enforcement groups including Crime Victims United of CA, Los Angeles Police Protective League, Association for Los Angeles Deputy Sheriffs, California Peace Officers Association, county sheriffs and district attorneys support me to be California's next Attorney General. As a Superior Court Judge, I saw firsthand when the criminal justice system was working and now how it fails us. I know exactly what must be done to protect Californians from violent crime, including ensuring convicted felons no longer have access to firearms and restoring safety to every neighborhood. The Attorney General must be above partisanship. This isn't about the Democrat answer or the Republican answer—it's about the right answer to ensure every Californian can feel safe on the streets, at work and in their home. I would be honored to have your vote.

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Xavier Becerra | DEMOCRATIC



As your Attorney General and chief law enforcement officer, I'm fighting—and winning—for Californians and our values. I'm taking on sex traffickers, the NRA, Big Oil, Big Banks and the Trump Administration. I'm prosecuting violent street gangs and taking thousands of guns off our streets. I'm fighting predatory for-profit colleges that steal from our students. I sued Trump—and won—to stop him from gutting our air quality protections and restricting women's access to birth control. I've fought and won to protect the Dreamers—immigrants brought to the U.S. as young children. And, I'm in court protecting Californians' right to health care. I fight these battles for Californians as the son of immigrants, the first in my family to graduate from a university, because *all Californians* deserve a chance to succeed. After law school, I worked as a legal aid attorney defending the mentally ill and then served as a Deputy Attorney General in the very office that I now lead. I then went to Congress to lead the fight to protect Social Security and Medicare. I've been fighting for California values all my life and I will *never* back down whether it's sex traffickers, Big Oil, the NRA, or the Trump Administration. I'm proud to have earned the support of Governor Brown, the Democratic Party, Sierra Club California, Planned Parenthood, the California State Law Enforcement Association and California's nurses, teachers and firefighters. I'd be honored to have your vote.

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XavierBecerra.com
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CANDIDATE STATEMENTS

INSURANCE COMMISSIONER

- Heads the Department of Insurance, which enforces California insurance laws and adopts regulations to implement the laws.
 - Licenses, regulates, and examines insurance companies.
 - Answers public questions and complaints about the insurance industry.
-

Ricardo Lara | DEMOCRATIC



Dear Californian, I am writing to share with you my core and simple belief—what we have in common is more important than what divides us. My mother was a seamstress. My father was a factory worker. They believed in the value of having insurance for the modest house they worked so hard to buy, and for the car that took them to their jobs. As they aged, they sacrificed a little more to buy life insurance. They did it because they knew they were one accident, one fire, one burglary, one serious illness away from losing everything they had worked for. Sadly, for many years they could not afford health insurance for their children. As a California Senator, I wrote the law to provide health insurance for 250,000 kids who didn't have it—so their parents wouldn't face bankruptcy if a child ends up in a serious accident or with a complex disease. I have a deep appreciation for the security people need. I believe that a healthy, honest, and competitive insurance market is one of the most important ways to provide the security we all need. The job of California's Insurance Commissioner is really about two things—making sure that insurance is priced fairly and that if we ever need to use it, our claim will be handled fairly. I won't have as much campaign money as others. So I appreciate you taking the time to read this letter and consider my candidacy. Sincerely, Ricardo Lara

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Suite 426
Long Beach, CA 90807

Tel: (562) 427-2100
E-mail: Ricardo@RicardoLara.com
RicardoLara.com
www.Facebook.com/Ricardo4CAIC

Steve Poizner | NO PARTY PREFERENCE



From 2007–2011, I served as the California Insurance Commissioner, and am seeking your support for a 2nd term of public service. *Why I am running as an Independent:* The California Insurance Commissioner is a regulator requiring fierce independence from insurance companies and partisan party politics. With your support, I will be the first Independent to get elected statewide in California history. This will pave a path for others who are tired of partisan bickering and divisiveness. I will also refuse insurance industry contributions to my campaign like I did during my first term. *My Background:* I have a proven track record of success in the private sector starting and leading pioneering technology companies for over 35 years in California (e.g. my company SnapTrack invented GPS for mobile phones), and now as the founder of a nonprofit focused on expanding the innovation economy in Southern California. *Why run for another term now?* Californians face urgent issues: under-insured homeowners exposed to an increasing number of wildfires and floods, ongoing premium increases in health insurance markets, and the growing economic threat of cyber-crime. *My record as Insurance Commissioner:* We saved drivers and homeowners almost \$2 billion in lower insurance rates; recovered \$30 million for wildfire victims who were shortchanged by insurance companies; saved taxpayers \$17 million by permanently cutting 13% of the budget (that's a first and without layoffs!); arrested over 2500 people for insurance fraud (a record!); and restored insurance for thousands of innocent consumers after health insurance companies illegally cancelled policies.

E-mail: StevePoizner@gmail.com
www.StevePoizner.com

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CALIFORNIA BOARD OF EQUALIZATION DISTRICTS

Counties in Each Board of Equalization District



CANDIDATE STATEMENTS

BOARD OF EQUALIZATION

Serves on the Board of Equalization, the state's elected tax commission, which:

- Assesses the property of regulated railroads and specific public utilities, and assesses and collects the private railroad car tax.
 - Oversees the assessment practices of the state's 58 county assessors.
 - Assesses and collects the alcoholic beverage tax, and jointly administers the tax on insurers.
-

DISTRICT 1

Ted Gaines | REPUBLICAN



As your representative on the Board of Equalization, I will work to protect the interests of all taxpayers, keep our economy strong and create jobs. For too many hard-working families, the California dream has been turned into a costly nightmare by Sacramento politicians with bad judgment and the wrong priorities. Billions of wasted dollars in cost overruns on crazy projects like the San Francisco-to-L.A. bullet train prove that nobody in Sacramento is looking out for taxpayers. I am endorsed by the Howard Jarvis Taxpayers Association because I vigorously defend Prop. 13. I will be your Watchdog and will fight to repeal the outrageous new gas and car tax, which hits the pocketbooks of middle-class families. As the owner of a small family business my background gives me firsthand experience with overbearing government regulations. As a Taxpayer Advocate I work to lower your tax bills, streamline regulations and remove roadblocks to job growth and will continue to do so on the Board of Equalization. I will fight to eliminate government waste, trim budgets and stop tax increases disguised as fees. I am a fifth-generation Californian, husband and father. I want my children and yours to be able to afford to live, work and raise their families here. I would be honored to earn your vote and pledge to fight for you, the taxpayer. Visit www.tedgaines.com to learn more and see why Taxpayer Groups and past Taxpayer Advocates on the Board of Equalization endorse me. Thank you.

1911 Douglas Blvd.
Ste. 85-122
Roseville, CA 95661

Tel: (916) 827-6115
E-mail: ted@tedgaines.com
tedgaines.com

Tom Hallinan | DEMOCRATIC



The Board of Equalization is no longer necessary. I will work to close it down. If you agree, I'd appreciate your consideration. Thank you, Tom Hallinan www.tomhallinan.com

P.O. Box 2145
Ceres, CA 95307

Tel: (209) 324-6205
E-mail: tom4boe@gmail.com
www.tomhallinan.com

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CANDIDATE STATEMENTS

BOARD OF EQUALIZATION

DISTRICT 2

Malia Cohen | DEMOCRATIC



I'm running for the Board of Equalization to put people's interests before special interests. As President of the San Francisco Board of Supervisors, I have been a fearless advocate for working people, championing the \$15 minimum wage, investing in affordable housing, fighting for reproductive rights, and advocating to provide low-income families with healthcare. I am the only candidate in this race with the financial experience needed to get results. As Chair of the Budget and Finance Committee, I oversee an \$11 billion budget and manage the city's taxes, fees, revenue measures, redevelopment, and real estate. If elected, I will bring *transparency, accountability and fairness* to the Board of Equalization, and push hard to establish standards and rules that prevent exploitation of our property tax system. With more than a decade of experience in public service, I have a proven track record of taking on special interests. I proudly spearheaded legislation to ban flavored tobacco products in San Francisco, defeating Big Tobacco companies that were disproportionately advertising to youth, communities of color, and LGBTQ+ individuals. That's why I am endorsed by *U.S. Senator Kamala Harris, California Democratic Party, California Professional Firefighters, California Federation of Teachers, California Nurses Association, AFSCME California, Equality California*, and leaders across the state. In this historic moment, strong leadership is more important than ever. I'm ready to take on the urgent challenges faced by Californians and fight for working families. Learn more at www.electmalia.com.

2201 Broadway St., Suite M-2 Tel: (415) 769-6285
Oakland, CA 94612 E-mail: info@electmalia.com
Electmalia.com
[Facebook.com/MaliaCohen](https://www.facebook.com/MaliaCohen)

Mark Burns | REPUBLICAN



It is time to end the status quo of 'More Taxes will fix our problems.' California Taxpayers have the highest burden in the United States. As a staunch and long term supporter of Proposition 13 and Propositions 60 & 90 (property tax base transfers for Seniors); I will work to make our system fairer for all. For the past 32 years; I've worked in the residential real estate business in Silicon Valley and watched property taxes and sales taxes reach levels that should support California Government well into the future and include surpluses and reserves. Instead; we see constant efforts to raise taxes further and without meaningful purpose except to back-fund increased spending and over-commitment by representatives and legislators. I will fight to improve accountability and efficiency within the Board of Equalization. I've Chaired Citizen's Oversight Committees for K-8 and 9-12 school districts in my Community for nearly a decade. I've fought (twice) in my own home county to preserve Prop 90 for Seniors. I deal with property taxes and their impact on families and individuals every day. Housing affordability affects everyone and a big part of that are property taxes. It is time to elect someone who understands the issues and will make every effort to reduce the burden we all face living in California. Please visit www.burnsforboe2018.com for more info.

1601 So. De Anza Blvd., Tel: (408) 777-9997
Suite 150 E-mail: mark@markburns.com
Cupertino, CA 95014 www.burnsforBOE2018.com

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CANDIDATE STATEMENTS

BOARD OF EQUALIZATION

DISTRICT 3

Tony Vazquez | DEMOCRATIC

No candidate statement.

G. Rick Marshall | REPUBLICAN



I am the CFO of the California Taxpayers Action Network. Our efforts have saved untold taxpayer dollars by ferreting out waste and corruption in public spending. When elected to the State Board of Equalization (BOE), I will work diligently to protect our taxpayer dollars from similar waste and corruption. I am a Husband, Father, and Planning Commissioner. Most importantly, like you, I am a Taxpayer. Protecting the integrity of our BOE is paramount. As a BOE member, the cornerstone of my service will be “Public Service”, not “Self Service”. It guided me when raising funds for Muscular Dystrophy, delivering presents to children of prisoners at Christmas and mentoring young men and women through Junior Achievement. In all my years in local government service first as a Water Commissioner and then as a Planning Commissioner, I have *never* been under the cloud of multiple state and/or federal investigations. I have *never* been the target of a Criminal Investigation. *Honesty. Integrity. Transparency. Public Service.* It’s the Rick Marshall promise to you. I’m for the gas tax repeal and against the storm water parcel tax. I will protect and defend Prop 13. That’s why the Howard Jarvis Taxpayers Association PAC has honored me with their endorsement. The political class has failed you. If you’re sick of politics as usual with government wasting your tax dollars—taxing too much while solving too little—Vote G. Rick Marshall for State Board of Equalization. May I have your vote?

2390 Crenshaw Boulevard,
#409
Torrance, CA 90501

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grickmarshall.com
www.facebook.com/grickmarshall

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CANDIDATE STATEMENTS

BOARD OF EQUALIZATION

DISTRICT 4

Mike Schaefer | DEMOCRATIC

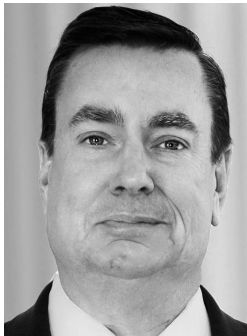


Meet *Mike Schaefer* Best-educated, Most-experienced, Educated UC Berkeley, Notre Dame, USC, San Diego State and Georgetown Law Official of city, county, state and federal government, from Prosecutor, Councilman, to SEC and California securities investigator, Member Board of Public Health, experienced successful challenger to excess real estate valuations before Boards of Equalization. Endorsed in prior elections by Police Officers Association, County Sheriffs. Endorses *Howard Jarvis Taxpayers Association* protecting all of us from unfair increases in any of our taxes. Native of San Diego, competitive major businessman, knows that we must be vigilant that government at all levels respects homeowner and small businessman. Frequent speaker at civic groups. Active Catholic leader. Successful son Derek in management of Coachella Music Festival (meeting a Beatle and Rolling Stones). Mike's worked with leaders from Dr. Seuss to Dr. Salk, Governors Brown & Brown to Reagan; performers from Bob Hope to boxing icon Archie Moore, LL Cool J, classmate Frank Zappa, Debbie Reynolds. Recognized nationally for fairness in election law, responsible for randomized non-alphabetical listing of candidates names on all California ballots, demands a level playing field. Supporter, San Diego Animal Rescue mission.

4494 Mentone St. #12
San Diego, CA 92107

Tel: (213) 479-6006
E-mail: oz.bluelman@yahoo.com
equalization4.org

Joel Anderson | REPUBLICAN



Visit taxpayersforanderson.com for more information. In 1978, Howard Jarvis wrote Prop 13, and after it passed he founded the Howard Jarvis Taxpayers Association to protect Prop 13 and taxpayers from abusive taxing policies. (hjta.org) *Joel Anderson* is endorsed by California's leading Prop. 13 defender, the Howard Jarvis Taxpayers Association. Anderson will continue to protect our Prop. 13 rights and join with working families against tax increases because everyone deserves to be treated with fairness. He was called a "*rock star for taxpayers*" by the Howard Jarvis Taxpayers Association President and was given the group's highest legislative rating. *He led the opposition to the gas tax increase* because it was the right thing to do—to stand up for the people against funding special interest giveaways. He was honored with highest ratings from the *California Taxpayers Association*, *National Federation of Independent Business*, and *California Chamber of Commerce* for his work to help grow jobs and the economy. He was named "*California State Senate Legislator of the Year*" by *California Small Business Association* and *California Small Business Roundtable* for his leadership working to boost small businesses and create career opportunities. He was recognized with six prestigious "*Legislator of the Year*" awards from *American Veterans*, *American Legion*, *California State Commanders Veterans Council*, the *California Veterans of Foreign Wars Department*, the *Vietnam Veterans of America*, and the *Military Officers Association of America* California Council of Chapters for protecting veterans' benefits and defending them from unfair taxes. He earned his bachelor's degree in finance from California State Polytechnic University, Pomona while working full-time as a real estate appraiser for Pomona First Federal Savings and Loan Association. Education & Experience—The most qualified candidate for Board of Equalization with decades of business experience and a public record defending taxpayers.

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taxpayersforanderson.com

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CANDIDATE STATEMENTS

SUPERINTENDENT OF PUBLIC INSTRUCTION (NONPARTISAN OFFICE)

- As the state's chief of public schools, provides education policy direction to local school districts, and works with the educational community to improve academic performance.
- Heads the Department of Education and carries out policies set by the State Board of Education.
- Serves as an ex-officio member of governing boards of the state's higher education system.

Tony K. Thurmond



I am running for State Superintendent of Public Instruction because I believe high-quality public schools are the key to California's future. Education saved my life, enabling me to overcome humble beginnings. I was raised by a single mother who emigrated from Panama to become a teacher. She lost her battle to cancer when I was just 6 years old—so I grew up thinking college was out of reach. But with the help of supportive teachers and a strong public education, I became student body president at my university, and went on to earn two master's degrees. As a lifelong advocate for youth and families, I spent 12 years working in schools, and started my career running after-school programs and counseling at-risk youth. I proudly served on the West Contra Costa Unified School District Board, Richmond City Council, and now in the California State Assembly. As Superintendent, I will work to ensure all California kids have access to a high-quality neighborhood school. To accomplish that, I will: 1) *Modernize our curriculum* to prepare students for jobs in our fast-growing, 21st Century economy—2) *Improve vocational job training* education, emphasizing science, technology, engineering, arts, and math—3) *Invest in our teachers* by raising their wages, offering professional development, and providing teachers with affordable housing so they can afford to live in the communities where they teach—4) *Prioritize critical thinking*, not teaching to the test, and—5) *Fight to stop Betsy DeVos's anti-education agenda* from harming California's kids. I'm endorsed by *U.S. Senator Kamala Harris, California Democratic Party, current Superintendent Tom Torlakson, Planned Parenthood Affiliates of California, Sierra Club, Equality California, Los Angeles Times, Sacramento Bee, teachers, nurses, firefighters*, and many more.

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TonyThurmond.com
[facebook.com/Tony.Thurmond](https://www.facebook.com/Tony.Thurmond)

Marshall Tuck



As the son of a public school teacher, the product of public schools, and a public school parent, I believe strongly in the power of public schools. But *California's public schools need big changes* to give *all* students the education they deserve. I'm running for State Superintendent because I've led public school systems that delivered real results for kids. Working with teachers and parents, we put more funding into classrooms, reduced bureaucracy, and prepared more students for college and careers. I helped create 10 new public high schools in low-income neighborhoods—and 8 of them were ranked among the top high schools in America by *U.S. News & World Report*. When I led the effort to turn around struggling public schools in Los Angeles, we *raised graduation rates by more than 60%*, and *had the biggest academic improvement of any large school system in California*. Our "Parent College" became a statewide model for getting parents more involved in their kids' education. As State Superintendent, I will stand up to politicians in Sacramento and Washington, DC and do what's best for students. My priorities will be: (1) Get more funding into local classrooms and cut bureaucracy and waste; (2) Empower teachers and parents to make more education decisions; (3) Expand career training and college prep to ensure all students are prepared to succeed in the 21st century. Read my full plan at MarshallTuck.com. Let's give *all* children in California the public schools they deserve.

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www.facebook.com/TuckforCalifornia/

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JUSTICES OF THE SUPREME COURT

For more information about Supreme Court Justices and Appellate Court Justices, visit www.voterguide.sos.ca.gov or www.courts.ca.gov or call the toll-free Voter Hotline at (800) 345-VOTE (8683).

The Electoral Procedure

Under the California Constitution, justices of the Supreme Court and the courts of appeal are subject to confirmation by the voters. The public votes “yes” or “no” on whether to retain each justice.

These judicial offices are nonpartisan.

Before a person can become an appellate justice, the Governor must submit the candidate’s name to the Judicial Nominees Evaluation Commission, which is comprised of public members and lawyers. The commission conducts a thorough review of the candidate’s background and qualifications, with community input, and then forwards its evaluation of the candidate to the Governor.

The Governor then reviews the commission’s evaluation and officially nominates the candidate, whose qualifications are subject to public comment before examination and review by the Commission on Judicial Appointments. That commission consists of the Chief Justice of California, the Attorney General of California, and a senior Presiding Justice of the Courts of Appeal. The Commission on Judicial Appointments must then confirm or reject the nomination. Only if confirmed does the nominee become a justice.

Following confirmation, the justice is sworn into office and is subject to voter approval at the next gubernatorial election, and thereafter at the conclusion of each term. The term prescribed by the California Constitution for justices of the Supreme Court and courts of appeal is 12 years. Justices are confirmed by the Commission on Judicial Appointments only until the next gubernatorial election, at which time they run for retention of the remainder of the term, if any, of their predecessor, which will be either four or eight years. (Elections Code section 9083.)

Carol A. Corrigan, Associate Justice, Supreme Court of California

Bar Admission: 1975

Education: J.D. University of California, Hastings College of Law 1975; B.A., Holy Names College 1970.

Professional Legal Background: Alameda County Deputy District Attorney (1975–1985), Senior Deputy (1985–1987); Adjunct Professor of Law: University of Notre Dame (2016–Present); U.C. Berkeley School of Law (1984–1987 & 1989–1994); U.C. Hastings College of Law (1981–1987 & 1989–1991); University of San Francisco School of Law (1987–1988); University of Puget Sound School of Law (1981).

Judicial Background: Associate Justice, California Supreme Court, 2006–Present; Associate Justice California Court of Appeal, 1994–2006; Judge, Alameda County Superior Court, 1991–1994; Judge, Oakland-Emeryville-Piedmont Municipal Court, 1987–1991; Faculty, California Judge’s College, 1989–Present.

Leondra R. Kruger, Associate Justice, Supreme Court of California

Bar Admission: 2002

Education: Yale Law School, J.D., 2001; Harvard University, A.B., 1997.

Professional Legal Background: Deputy Assistant Attorney General, Office of Legal Counsel, U.S. Department of Justice, 2013–2014; Assistant to the Solicitor General and Acting Principal Deputy Solicitor General, Office of the Solicitor General, U.S. Department of Justice, 2007–2013; Visiting Assistant Professor, University of Chicago Law School, 2007; Associate, Wilmer, Cutler, Pickering, Hale and Dorr LLP, 2004–2006; Law Clerk to U.S. Supreme Court Justice John Paul Stevens, 2003–2004; Law Clerk to U.S. Court of Appeals Judge David S. Tatel, 2002–2003; Associate, Jenner and Block LLP, 2001–2002.

Judicial Background: Associate Justice, Supreme Court of California, 2015–present (appointed by Governor Jerry Brown and confirmed by the Commission on Judicial Appointments).

Elections in California

The Top Two Candidates Open Primary Act requires that all candidates for a voter-nominated office be listed on the same ballot. Previously known as partisan offices, voter-nominated offices are state legislative offices, U.S. congressional offices, and state constitutional offices.

In both the open primary and general elections, you can vote for any candidate regardless of what party preference you indicated on your voter registration form. In the primary election, the two candidates receiving the most votes—regardless of party preference—move on to the general election. If a candidate receives a majority of the vote (at least 50 percent + 1), a general election still must be held.

California's open primary system does not apply to candidates running for U.S. President, county central committee, or local offices.

Write-in candidates for voter-nominated offices can still run in the primary election. However, a write-in candidate can only move on to the general election if the candidate is one of the top two vote-getters in the primary election. Additionally, there is no independent nomination process for a general election.

Superintendent of Public Instruction is a nonpartisan office. If a candidate for Superintendent of Public Instruction were to receive a majority of the vote (at least 50 percent +1) at the primary election, then that candidate would be elected, and no general election would be held. Additional information on nonpartisan offices can be found below.

California law requires the following information to be printed in this guide.

Voter-Nominated Offices

Political parties are not entitled to formally nominate candidates for voter-nominated offices at the primary election. A candidate nominated for a voter-nominated office at the primary election is the nominee of the people and not the official nominee of any party at the general election. A candidate for nomination to a voter-nominated office shall have his or her qualified party preference, or lack of qualified party preference, stated on the ballot, but the party preference designation is selected solely by the candidate and is shown for the information of the voters only. It does not mean the candidate is nominated or endorsed by the party designated, or that there is an affiliation between the party and candidate, and no candidate nominated by the voters shall be deemed to be the officially nominated candidate of any political party. In the county voter information guide, parties may list the candidates for voter-nominated offices who have received the party's official endorsement.

Any voter may vote for any candidate for a voter-nominated office, if they meet the other qualifications required to vote for that office. The top two vote-getters at the primary election move on to the general election for the voter-nominated office even if both candidates have specified the same party preference designation. No party is entitled to have a candidate with its party preference designation move on to the general election, unless the candidate is one of the two highest vote-getters at the primary election.

Nonpartisan Offices

Political parties are not entitled to nominate candidates for nonpartisan offices at the primary election, and a candidate at the primary election is not the official nominee of any party for the specific office at the general election. A candidate for nomination to a nonpartisan office may not designate his or her party preference, or lack of party preference, on the ballot. The top two vote-getters at the primary election move on to the general election for the nonpartisan office.

County Elections Offices

Alameda County

(510) 272-6933
www.acgov.org/rov/index.htm

Alpine County

(530) 694-2281
www.alpinecountyca.gov

Amador County

(209) 223-6465
<http://www.co.amador.ca.us/government/recorder-clerk>

Butte County

(530) 538-7761 or (800) 894-7761
(within Butte county)
www.buttevotes.net

Calaveras County

(209) 754-6376 or (209) 754-6375
www.calaverasgov.us

Colusa County

(530) 458-0500 or (877) 458-0501
www.countyofcolusa.org/elections

Contra Costa County

(925) 335-7800
www.contracostacore.us

Del Norte County

(707) 465-0383 or (707) 464-7216
www.co.del-norte.ca.us

El Dorado County

(530) 621-7480 or (800) 730-4322
www.edcgov.us/Elections

Fresno County

(559) 600-8683
www.fresnovote.com

Glenn County

(530) 934-6414
www.countyofglenn.net/dept/elections/welcome

Humboldt County

(707) 445-7481
www.humboldt.gov/elections

Imperial County

(442) 265-1060 or (442) 265-1074
www.co.imperial.ca.us

Inyo County

(760) 878-0224
<http://elections.inyocounty.us/>

Kern County

(661) 868-3590
www.kernvote.com

Kings County

(559) 852-4401
www.countyofkings.com

Lake County

(707) 263-2372
www.co.lake.ca.us/Government/Directory/ROV.htm

Lassen County

(530) 251-8217
www.lassencounty.org/dept/registrar-voters-elections

Los Angeles County

(800) 815-2666
www.lavote.net

Madera County

(559) 675-7720 or (800) 435-0509
www.votemadera.com

Marin County

(415) 473-6456
marinvotes.org

Mariposa County

(209) 966-2007
www.mariposacounty.org

Mendocino County

(707) 234-6819
www.mendocinocounty.org/government/assessor-county-clerk-recorder-elections/elections

Merced County

(209) 385-7541 or (800) 561-0619
www.mercedelections.org

Modoc County

(530) 233-6205
www.co.modoc.ca.us/departments/elections

Mono County

(760) 932-5537 or (760) 932-5530
monocounty.ca.gov/elections

Monterey County

(831) 796-1499 or (866) 887-9274
www.montereycountyelections.us/

Napa County

(707) 253-4321
www.countyofnapa.org

Nevada County

(530) 265-1298
<http://www.mynevadacounty.com/1847/Elections-Voting>

Orange County

(714) 567-7600
www.ocvote.com

Placer County

(530) 886-5650
www.placerelections.com

Plumas County

(530) 283-6256 or (844) 676-VOTE
www.countyofplumas.com

Riverside County

(951) 486-7200
www.voteinfo.net

Sacramento County

(916) 875-6451
www.elections.saccounty.net

San Benito County

(831) 636-4016
sbcvote.us

San Bernardino County

(909) 387-8300
www.sbcountyelections.com

San Diego County

(858) 565-5800 or (800) 696-0136
www.sdvote.com/

San Francisco County

(415) 554-4375
sfelections.org

San Joaquin County

(209) 468-2890 or (209) 468-2885
www.sjcrow.org

San Luis Obispo County

(805) 781-5228 or (805) 781-5080
www.slovote.com

San Mateo County

(650) 312-5222
www.smcare.org

Santa Barbara County

(805) 568-2200
www.sbcvote.com

Santa Clara County

(408) 299-8683 or (866) 430-8683
www.sccvote.org

Santa Cruz County

(831) 454-2060
www.votescount.com

Shasta County

(530) 225-5730 or (888) 560-8683
www.elections.co.shasta.ca.us

Sierra County

(530) 289-3295
www.sierracounty.ca.gov

Siskiyou County

(530) 842-8084 or (888) 854-2000 ext. 8084
www.sisqvotes.org

Solano County

(707) 784-6675
www.solanocounty.com/elections

Sonoma County

(707) 565-6800
vote.sonoma-county.org

Stanislaus County

(209) 525-5200
<http://www.stanvote.com>

Sutter County

(530) 822-7122
www.suttercounty.org/elections

Tehama County

(530) 527-8190
www.co.tehama.ca.us

Trinity County

(530) 623-1220
www.trinitycounty.org/index.aspx?page=58

Tulare County

(559) 624-7300
<http://www.tularecoelections.org/elections/>

Tuolumne County

(209) 533-5570
www.co.tuolumne.ca.us/elections

Ventura County

(805) 654-2664
www.venturavote.org

Yolo County

(530) 666-8133
yoloelections.org

Yuba County

(530) 749-7855
www.yubaelections.org

Voter Registration

If you have already registered to vote, you do not need to reregister **unless** you change your name, home address, mailing address or if you want to change or select a political party.

You can register to vote online at RegisterToVote.ca.gov, or call the Secretary of State's toll-free Voter Hotline at (800) 345-VOTE (8683) to get a form mailed to you.

Voter registration forms can be found at most post offices, libraries, city and county government offices, county elections offices, and the California Secretary of State's Office.

Conditional Voter Registration

Did you forget to register? No problem! Did you know that during the period of 14 days prior to Election Day through and including Election Day, you can go to the office of your county elections official or a vote center to conditionally register to vote and vote? This process is called Conditional Voter Registration (CVR). Here's how it works:

1. Visit your county elections office or a vote center—a full list of county contact information can be found here:
<http://www.sos.ca.gov/elections/voting-resources/county-elections-offices/>
2. Complete a voter registration card or register online at RegisterToVote.ca.gov
3. Vote your CVR provisional ballot at your county elections office or vote center

Once the county elections official processes the affidavit of registration, determines that you're eligible to register, and validates your information, the registration becomes permanent and your CVR provisional ballot will be counted.

To learn more visit <http://www.sos.ca.gov/elections/voter-registration/conditional-voter-reg/>

Vote Centers are available for voters living in Madera, Napa, Nevada, Sacramento, and San Mateo counties. Visit VotersChoice.sos.ca.gov or see page 93 for more information on the Voter's Choice Act and vote centers.

Voter Registration Privacy Information

Safe at Home Confidential Voter Registration Program: Certain voters facing life-threatening situations (i.e., domestic violence, stalking victims) may qualify for confidential voter status. For more information, contact the Secretary of State's Safe at Home program toll-free at (877) 322-5227 or visit www.sos.ca.gov/registries/safe-home/.

Voter Information Privacy: Information on your voter registration affidavit will be used by elections officials to send you official information on the voting process, such as the location of your polling place and the issues and candidates that will appear on the ballot. Commercial use of voter registration information is prohibited by law and is a misdemeanor. Voter information may be provided to a candidate for office, a ballot measure committee, or other person for election, scholarly, journalistic, political, or governmental purposes, as determined by the Secretary of State. Driver license and social security numbers, or your signature as shown on your voter registration card, cannot be released for these purposes. If you have any questions about the use of voter information or wish to report suspected misuse of such information, please call the Secretary of State's Voter Hotline at (800) 345-VOTE (8683).



The Future of Voting in California

Starting in 2018, all registered voters in Madera, Napa, Nevada, Sacramento, and San Mateo counties will receive their ballot in the mail weeks before the election. Voters in participating counties will have 3 choices for how to vote:

Vote by Mail: You can mail your completed ballot as soon as you receive it.

Drop Box: You can drop off your completed ballot at any county drop box as soon as you receive it. No postage is required at drop boxes.

Vote Center: Voter centers will replace polling places. You can vote in person at any vote center in your county. Vote centers will be open for a minimum of 11 days, up to and including Election Day.

At every vote center you can:

- Vote in person
- Register to vote or update your registration
- Drop off your completed ballot
- Get a replacement ballot
- Vote using an accessible voting machine
- Get help and voting materials in multiple languages

Why the Change?

The California Voter's Choice Act became law in 2016 to make voting more convenient and accessible. You can choose how, when, and where you vote.

When do I vote?

You will receive your ballot in the mail weeks before the election. After completing your ballot, you may return it by mail or at any county drop box or vote center. Vote centers will be open for in-person voting for 11 days, up to and including Election Day.

Where do I find a drop box or vote center?

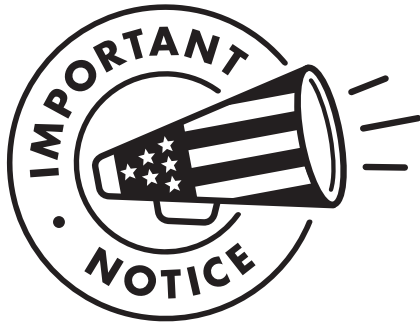
VotersChoice.sos.ca.gov

What if I don't receive my ballot?

Visit any vote center in your county or call your county elections official to request a replacement.

What if I'm not in a participating county?

If you live in a county that's not currently participating in the Voter's Choice Act, you will continue to vote either by mail or at a polling place. Contact the Secretary of State's toll-free voter hotline at (800) 345-VOTE (8683) for more information.



The text of proposed laws is *not* printed in this guide.

However, the text is now available online at <http://voterguide.sos.ca.gov>.

If you would like a printed copy of the text:



Email the Secretary of State at vigfeedback@sos.ca.gov



Contact the Secretary of State's toll-free voter hotline at (800) 345-VOTE (8683).

Assistance for Voters with Disabilities

Check your county Voter Information Guide

Your county Voter Information Guide will:



- Describe how persons with disabilities can vote privately and independently
- Display a wheelchair symbol if your polling place is accessible to voters with disabilities

Audio and large print Voter Information Guides

These guides are available at no cost in English, Chinese, Hindi, Japanese, Khmer, Korean, Spanish, Tagalog, Thai, and Vietnamese. To order:



Call the Secretary of State's toll-free voter hotline at (800) 345-VOTE (8683)



Download an audio MP3 version at <http://voterguide.sos.ca.gov/en/audio>



Visit <http://voterguide.sos.ca.gov>

State Election Results Website

Want to see the November 6, 2018, General Election results after the polls close at 8:00 p.m.? Visit the California Secretary of State's Election Results website at <https://vote.sos.ca.gov/>.

The Election Results website is updated every five minutes on Election Night as counties report results to the Secretary of State. County elections officials send semi-official election results to the Secretary of State's website after the polls close at 8:00 p.m. and continue to send updates at least every two hours until all Election Day ballots are counted.

Beginning on November 8 through December 6, 2018, the Election Results website will update every day by 5:00 p.m. as counties count the remaining ballots.

The official results of the election will be posted by December 14, 2018, at www.sos.ca.gov/elections/

DATES TO REMEMBER!



REMEMBER TO VOTE!

Polls are open from 7:00 a.m. to 8:00 p.m. on Election Day!

OCTOBER

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

October 8, 2018

First day to vote-by-mail.

October 22, 2018

Last day to register to vote. You can “Conditionally” register and vote at your county elections office after the 15-day voter registration deadline.

October 30, 2018

Last day that county elections officials will accept any voter’s application for a vote-by-mail ballot.

NOVEMBER

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

November 6, 2018

Election Day!

California Secretary of State
Elections Division
1500 11th Street
Sacramento, CA 95814

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CALIFORNIA
SECRETARY
OF STATE



CALIFORNIA

GENERAL ELECTION

Check your voter registration status online at voterstatus.sos.ca.gov

OFFICIAL VOTER INFORMATION GUIDE

Tuesday, November 6, 2018

Remember to Vote!
Polls are open from 7:00 a.m. to 8:00 p.m.

October 8

First day to vote-by-mail.

October 22*

Last day to register to vote.

October 30

Last day that county elections officials will accept any voter's application for a vote-by-mail ballot.



For additional copies of the Voter Information Guide in any of the following languages, please call:

English: (800) 345-VOTE (8683)

TTY/TDD: (800) 833-8683

Español/Spanish: (800) 232-VOTA (8682)

中文/Chinese: (800) 339-2857

हिन्दी/Hindi: (888) 345-2692

日本語/Japanese: (800) 339-2865

ខ្មែរ/Khmer: (888) 345-4917

한국어/Korean: (866) 575-1558

Tagalog: (800) 339-2957

ภาษาไทย/Thai: (855) 345-3933

Việt ngữ/Vietnamese: (800) 339-8163



Text Vote to GOVOTE (468683) to find the location of your polling place.

* You can still "conditionally" register and vote at your county elections office after the 15-day voter registration deadline.

In an effort to reduce election costs, the State Legislature has authorized the State and counties to mail only one guide to each voting household. You may obtain additional copies by contacting your county elections official or by calling (800) 345-VOTE.

