



Friends Committee on Legislation of California

Friends Committee on Legislation of California Recommendations on November 2024 Ballot Propositions

PROPOSITION 2 AUTHORIZES BONDS FOR PUBLIC SCHOOL AND COMMUNITY COLLEGE FACILITIES. Legislatively Referred Bond Act. SUPPORT.

Referred to the ballot by the California Legislature, Proposition 2 would issue \$10 billion in bonds with \$8.5 billion dedicated to elementary and secondary educational facilities and \$1.5 billion for community college facilities. The measure requires the state government to cover between 50 and 55% of construction project costs and 60 and 65% of modernization project costs.

Proponents state that California schools are in dire need of repair, with aging infrastructure that can put students' health at risk.

In California, money for school repairs comes from state and local bonds. The last successful state bond measure was passed in 2016. A \$15b bond measure for schools failed in 2020. Higher income school districts can raise more money through local property taxes, but small and low-income districts struggle to generate funds, and rely heavily on state bonds.

Under Proposition 2, school districts would have to submit a five-year facilities plan to the state, launch their own campaigns to raise local funds through the ballot and seek matching funds from the proceeds of the state bond measure.

Community colleges could also apply for funds from the \$1.5b in bond funds added to the state budget by drafting a five-year capital expense report that states their needs for facilities and for retrofitting.

The proposal has the support of many educational and civic groups. Friends Committee on Legislation has a strong record of support for public schools. The measure is in line with our policy on Equal Opportunities as this bond measure will help to address the disparities between wealthy and lower-income school districts. FCLCA recommends a YES vote on Proposition 2.

PROPOSITION 3 CONSTITUTIONAL RIGHT TO MARRY. Legislatively Referred Constitutional Amendment. SUPPORT

Proposition 3 repeals Proposition 8, passed in 2008, which defined marriage as a union between one man and one woman, and declares that a “right to marry is a fundamental right” in the California Constitution.

It will bring the California constitution in line with the U.S. Supreme Court’s ruling in 2015, which protected same-sex marriages and invalidated Proposition 8. Same sex marriage is currently allowed in California, so there would be no change in practice.

It also adds language to the state constitution to establish a right to marry as a furtherance of the right to life, liberty, the pursuit of happiness, and privacy and the Due Process and Equal Protection Clauses of the state constitution.

FCLCA’s policy on equal opportunity states support for the equality of civil marriage for all. Proposition 3 codifies this equality in the state constitution, and FCLCA recommends a YES vote.

PROPOSITION 4 AUTHORIZES BONDS FOR SAFE DRINKING WATER, WILDFIRE PREVENTION, AND PROTECTING COMMUNITIES AND NATURAL LANDS FROM CLIMATE RISKS. Legislatively Referred Bond Act. SUPPORT.

Proposition 4 would allow California to issue \$10 billion in bonds to fund a host of projects designed to combat the worst aspects of climate change in the state. Water projects, wildfire protection, coastline protection, and fish and wildlife protection, all have dedicated amounts in the lengthy proposal. In addition, parks, extended outdoor access, sustainable agriculture, and ways to mitigate extreme heat, would be bolstered by millions of dollars provided therein. Proposition 4 requires that 40% of the bond revenue be used to fund activities that benefit communities with lower incomes or that are affected by environmental changes or disasters.

The proceeds of the bonds issued will be deposited into a special fund and allocated as follows: \$3.8b for safe drinking water, drought, flood and water resilience programs; \$1.5b for wildfire and forest resilience programs; \$1.2b for coastal resilience programs; \$450m for extreme heat mitigation programs; \$1.2b for biodiversity protection and nature-based climate solution programs; \$300m for climate resilient farms and ranches programs; \$700m for park creation and outdoor access programs and \$850m for clean air programs.

The Howard Jarvis Taxpayers' Association opposes Proposition 4 due to the interest on the bonds that would be payable by the state. Proposition 4 enjoys the support of unions and many leading environmental groups. There is no doubt that California needs to take strong action to address the climate change events that have already affected our state and to ensure clean accessible water for all. Friends Committee on Legislation of California advocates legislatively for these types of policies and has a longstanding commitment to action in favor of a better environment. We recommend a YES vote on Proposition 4.

PROPOSITION 5 ALLOWS LOCAL BONDS FOR AFFORDABLE HOUSING AND PUBLIC INFRASTRUCTURE WITH 55% VOTER APPROVAL. Legislatively Referred Constitutional amendment. SUPPORT.

Proposition 5 is an attempt to address the housing crisis in California and increase affordable housing. It would amend the state constitution to lower the supermajority vote requirement from two-thirds (66.67%) vote to 55% for local jurisdictions to issue bonds for affordable housing and public infrastructure projects. This measure would bring this vote threshold in line with the current 55% threshold for bond measures benefiting local school districts and community college districts.

The amendment defines *affordable housing* as "housing developments, or portions of housing developments, that are affordable to individuals, families, seniors, people with disabilities, veterans, or first-time homebuyers, who are lower income households or middle-income households earning up to 150 percent of countywide median income, as those terms are defined in state law." Affordable housing would also include downpayment assistance programs, first-time homebuyer programs, permanent supportive housing, and facilities used to serve residents of affordable housing. Public infrastructure projects would include water quality, sanitation, treatment of wastewater, protection of property from sea level rise, parks and recreation facilities, flood control, streets, highways, broadband internet access, local hospital construction, public safety buildings, and public libraries. It would require local jurisdictions to conduct annual audits to ensure that funds were being used for their intended purpose.

The Legislative Analyst's office reports on the fiscal impact of Proposition 5 as: Increased local borrowing to fund affordable housing, supportive housing, and public infrastructure. The amount of increased borrowing would depend on decisions by local governments and voters. Borrowed funds would be repaid with higher property taxes.

Proposition 5 is supported by the California Democratic Party, the League of Women Voters, labor organizations, the AIDS Healthcare Foundation and the California State Association of Counties, among others. It is opposed by the state Republican Party, the Chamber of Commerce and the California Association of Realtors. FCLCA is deeply concerned about the crisis in available and affordable housing in California and its impact on the economic wellbeing of Californians. We recommend a YES vote on Proposition 5.

PROPOSITION 6 ELIMINATES CONSTITUTIONAL PROVISION ALLOWING INVOLUNTARY SERVITUDE FOR INCARCERATED PERSONS. Legislatively Referred Constitutional Amendment. SUPPORT.

Proposition 6 repeals language in California's state constitution prohibiting involuntary servitude except to punish crime and replaces it with language completely prohibiting slavery and involuntary servitude. Roughly one-third of people in prison work. Under current law, they can be required to work for less than \$1 an hour, and people who refuse work assignments can face punishments such as losing the ability to make phone calls. If Proposition 6 passes, prisons would still be allowed to reward prisoners for working with money or time off their sentences, but punishment for refusing work assignments would no longer be allowed.

This proposition is a Legislative Black Caucus priority bill which passed the Legislature with overwhelming bipartisan support. Supporters include numerous liberal groups that support reforming the criminal justice system. There are no official opponents.

Prison reform has long been a priority of Friends Committee on Legislation of California. Ending involuntary servitude in prisons is in keeping with Quaker testimonies on equality and social justice. FCLCA recommends a YES vote on Proposition 6.

PROPOSITION 32 RAISES MINIMUM WAGE. Citizen Initiated State Statute. SUPPORT.

Proposition 32 would raise minimum wage for all employers by 2026 to \$18 an hour, about \$1 more than it would be otherwise, and adjust that wage annually based on inflation. Previously, state lawmakers granted an increase to \$20 an hour for California's 550,000 fast food workers starting in April 2024 and to healthcare workers, who are slated to receive a \$25 minimum wage as soon as October 2024. For other workers, the state's minimum wage is now \$16 an hour and projected to hit about \$16.50 per hour in 2025 and \$17 in 2026. The last minimum wage increase was passed in 2016.

California is expensive, and low-wage workers and their families struggle to keep up. According to the MIT Living Wage Calculator, even in the cheapest California County (Modoc), a single adult with no children would need to make at least \$20.32 an hour to comfortably afford the basics. While Proposition 32 would make California's minimum wage the highest in the nation, California is also the most expensive state to live in according to a 2024 CNBC study. It is estimated that the measure would give raises to 2 million workers statewide that have not yet benefited from industry-specific raises, or do not live in cities that require a higher wage. A positive impact would be felt throughout the economy, as it would help families afford basic needs, would be spent on local businesses, and would help reduce low-income Californians' use of taxpayer provided benefits.

Concerns have been raised about the effect of wage increases on jobs, however, UC Berkeley studies have found that California's previous gradual increase to a \$15 minimum wage had "no significant" effect on job losses. Raising the minimum wage likely would increase prices, although the non-partisan state legislative analyst pegs that at less than 0.5%, and could prompt some employers to trim their workforce, likely reducing jobs by less than 0.25%.

FCLCA's policy on Equal Opportunity states "All persons are entitled to the opportunities and resources necessary for them to realize their full potential." A living wage is key to realizing that potential. FCLCA recommends a YES vote on Proposition 32.

PROPOSITION 33 EXPANDS LOCAL GOVERNMENTS' AUTHORITY TO ENACT RENT CONTROL ON RESIDENTIAL PROPERTY. Citizen Initiated State Statute. SUPPORT.

Proposition 33 will expand local governments' authority to enact rent control on residential property by

- repealing the Costa-Hawkins Rental Housing Act (1995), thereby allowing cities and counties to limit rent on any housing and limit the rent for first-time tenants and
- adding language to state law to prohibit the state from limiting "the right of any city, county, or city and county to maintain, enact or expand residential rent control.

For the last 30 years, rent in California has been controlled by the Costa-Hawkins Rental Housing Act. Under Costa-Hawkins, cities cannot impose rent control on single-family homes, condominiums, or any housing built after February 1, 1995. These provisions aimed to strike a balance between tenant protections and property rights as an answer to "strict rent control" in a few cities while promoting the

overall health of the rental housing market in California. Strict rent control includes “vacancy control” which limited the amount landlord could increase the amount they charge new tenants for rent. Under the Costa-Hawkins act, “prevailing market rent” means that if tenants can be evicted, the new rent could go up to whatever the market will bear.

Proposition 33, also known as “Justice for Renters Act,” eliminates the Costa-Hawkins act and states, “The state may not limit the right of any city, county, or city and county to maintain, enact or expand residential rent control.” Rent control would return to a more “local” level if a policy were enacted at all. The thinking is that local control would reflect the ability of the community to pay.

Costa-Hawkins is dated and limits rent control to a very small section of housing, apartments built before 1995. More than 30% of Californians now pay more than 50% of their income for rent, more than any other state except Florida and Louisiana. There have been two attempts to change Costa-Hawkins, but the deep pockets of the real estate industry have managed to defeat them. The AIDS Healthcare Foundation is a leading proponent of Proposition 33, with the California Association of Realtors and the California Apartment Association leading the opposition.

Friends Committee on Legislation of California’s policy on Equal Opportunity states that all citizens have the right to housing and that it should not be limited by economic status. Financial assistance may be necessary for some to have this opportunity. FCLCA recommends a YES vote on Proposition 33.

PROPOSITION 34 RESTRICTS SPENDING OF PRESCRIPTION DRUG REVENUES BY CERTAIN HEALTH CARE PROVIDERS. Citizen Initiated State Statute. OPPOSE

According to Ballotpedia:

“Proposition 34 would establish a new category of entities called *prescription drug price manipulators*. If an entity is classified as a *prescription drug price manipulator*, the entity would have to meet the following requirements annually to maintain its tax-exempt status and licensure as health insurance plans, pharmacies, and clinics:

- spend at least 98% of revenues from federal discount prescription drug program on direct patient care and
- not engage in unprofessional conduct or conduct contrary to public health, welfare, or safety.

Proposition 34 would also permanently authorize the state to implement the Medi-Cal Rx program. Gov. Newsom first established the program in January 2019 via executive order.”

The California Apartment Association sponsored this initiative and is leading the campaign in favor. The AIDS Healthcare Foundation is the initiative’s biggest opponent. There’s a reason for this: the initiative is written such that it applies to organizations that combine providing health care and maintaining low rent housing, as the AIDS Healthcare Foundation does, and it’s sponsored by an organization that opposes the AIDS Healthcare Foundation’s record of supporting rent control initiatives.

Ensuring adequate support for health care for Medi-Cal patients is consistent with the Friends Committee on Legislation’s focus on economic justice. Writing health care regulations as part of a proxy fight about rent control isn’t. If any regulation needs to be done of how revenues from the federal discount prescription drug program are spent, it should be done by the legislature weighing all relevant concerns and not by a party that has a financial incentive to knee-cap the AIDS Healthcare Foundation. FCLCA recommends a NO vote on Proposition 34.

PROPOSITION 35 PROVIDES PERMANENT FUNDING FOR MEDI-CAL HEALTH CARE SERVICES. Citizen Initiated State Statute. OPPOSE.

Proposition 35 would require California to request federal approval on an ongoing basis to impose a tax on managed healthcare insurance programs (the current existing tax is set to expire in 2026). The tax is charged by the number of monthly enrollees in the Managed Care Organization (MCO). The Propositions lays out specific allocations for the tax revenues for purposes related to Medi-Cal services and healthcare.

Originally instituted in 2005, California has typically had a Managed Care Organization Provider tax, with the money being applied to Medi-Cal services. The MCO tax is authorized by the Legislature, subject to approval by the federal government. Instituting this tax allows California to draw down additional federal funds. The amount of revenue from the tax and the uses to which the money is put have varied over time. In the past, the funds generated have offset spending from California's General Fund, thus freeing up money for other purposes. The Legislature agreed to ask the federal government to approve the tax in December 2023 for three years and negotiated an agreement within the state budget on how it would be spent over that time. There are differences in allocations between that agreement and what is proposed in Proposition 35. If passed, Proposition 35 would supersede the previous budget agreement.

According to Ballotpedia: "The initiative would require the proceeds of the MCO tax to cover a portion of the cost of the tax on Medi-Cal enrollment and administrative costs. In 2025 and 2026, the remaining proceeds would be allocated to the Medi-Cal program and health workforce initiatives (estimated \$2.7 billion) and to the general fund to offset Medi-Cal funding (estimated \$2 billion)."

In 2027 and afterwards, the allocations are different. [According to the California Budget and Policy Center's report Understanding Proposition 35](#), after covering a portion of MCOs' cost of the tax as well as administrative costs, the next \$4.3 billion collected from the tax would be allocated for specific purposes. Forty-four percent of the funds would support access to primary care and specialty care, increasing reimbursement rates for primary care services and increasing the number of specialty care service providers.

Proposition 35 requires at least three quarters of legislators in each house to amend the measure in the future. Supporters of the initiative include the California Dental Association, the California Hospital Association, the California Medical Association, and Planned Parenthood. Opponents include the California Pan-Ethnic Network and the California League of Women Voters.

Making the MCO tax permanent and spending the money on healthcare is in accordance with FCLCA principles. But this measure is specific in its allocation of healthcare money, stating how much of the tax would go to mental health services, how much would go to ground emergency transportation, and so on. As a result, there would be winners and losers if the proposition passes, with some healthcare sectors receiving less funding that already agreed to in the existing 2024-2025 budget. For example, funding for continuous eligibility for Medi-Cal for children ages one to five was a budget achievement championed by FCLCA that would not be included in the allocations in Proposition 35. This kind of detailed budgeting by ballot measure reduces the legislature's flexibility to adjust the budget to changed circumstances, and the supermajority required to modify the allocations is unreasonably high. FCLCA recommends a NO vote on Proposition 35.

PROPOSITION 36. ALLOWS FELONY CHARGES AND INCREASES SENTENCES FOR CERTAIN DRUG AND THEFT CRIMES. OPPOSE

If passed, Proposition 36 would make changes to Proposition 47, approved in 2014, classifying certain drug offenses as *treatment-mandated felonies*; increasing penalties for certain drug crimes by increasing sentence lengths and level of crime (for example, for crimes where money or property worth \$950 or less is stolen, the initiative would make the crime punishable as a felony for individuals who have two or more prior theft-related convictions) and increasing sentences for theft based on the value of the property stolen, among other provisions.

With California's prison system severely overcrowded and under federal receivership, in the early 2010s, California began implementing reforms to make less use of incarceration and reduce the state's prison population. As a result California's prison population has declined from a peak of 174,000 to about 92,000 today. One of the principal reforms was 2014's Proposition 47, which reclassified nonviolent drug and property crimes from felonies to misdemeanors, meaning those convicted of these offenses would serve sentences in county jails or receive probation. The link between a felony conviction and homelessness and increased recidivism is undisputable, and Proposition 47 allows people to have their felony records expunged for crimes it reclassified as misdemeanors. Proposition 47 also requires the Department of Finance to annually calculate the savings from reduced incarceration costs and to repurpose these funds to programs that reduce recidivism, reduce school truancy and to support services for victims. According to the California Budget and Policy Center, since 2014 Proposition 47 has generated over \$800 million for these programs.

Not surprisingly there has been considerable pushback in the State Legislature by those interests opposed to these reforms, especially those enacted by Proposition 47. This year a coalition of big box retailers and the California Correctional Peace Officers Association, (aka as the prison guards' union) qualified Proposition 36 for the ballot, which increases a whole host of penalties for drug and property crimes, which result in more prison and jail incarceration. It also creates a new "treatment mandated felony" for persons arrested for possessing illegal drugs with two or prior drug convictions. If the person completes the treatment program, the charges would be dropped.

Californians need only to take a short look back in time to understand why Proposition 36 will fail. There is broad consensus among academics that increased penalties do not deter crime and that a felony conviction creates more harm. While we should all be concerned about property crimes and the fentanyl crisis, we need solutions that work. And there are other approaches: the Legislature has recently taken significant steps to reduce retail theft such as ensuring that online platforms are not facilitating the sale of stolen merchandise. Several bills that take an evidence-based, public health approach to the fentanyl crisis are on the governor's desk awaiting his signature.

Proposition 36 is an unfunded mandate for more prison and jail spending, which will tax already strained state and local budgets and threatens the safety net, education, government services and programs that make our communities safer. Proposition 36 marks a reflexive and unwarranted return to the failed policies of mass incarceration that disproportionately harms communities of color and the poor while failing to make communities safer. FCLCA recommends a NO vote on Proposition 36.