



SUMMARY

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BALLOT PROPOSITIONS NOVEMBER 6, 2018

There are several bond acts on the 2018 General Election ballot. They do increase state indebtedness but come at a time when the state’s fiscal health is excellent. With comparatively low interest rates and with major unmet needs calling for attention, this is a fiscally responsible moment to repair and restore the things we have let go untended for nearly two decades.

PROPOSITION 1: SB3 (Chapter 365, Statutes of 2017), Beall, Veterans and Housing Bond Act of 2018 Recommendation: SUPPORT

Homelessness across the nation is on the decline, but in California it is on the rise. 2.2 million low-income households are competing for 664,000 affordable rentals statewide. Homelessness is on the rise. The problem is not solving itself as cities and counties eliminate requirements for very low-income affordable housing. Even with the state’s minimum wage increases, positive impacts are offset by skyrocketing housing costs.

This proposition raises \$4 billion in general obligation bonds (repayable from the General Fund) for housing programs. It builds on three legislative bills and Proposition 41 we passed in 2014. Proposition 1 expands the eligible populations and affirms the state’s commitment to ending homelessness for individuals and families, including First Nations people who have been omitted in the past.

PROPOSITION 2: AB1827 (Chapter 41, Statutes of 2018), Committee on Budget, No Place Like Home Act of 2018. Recommendation: SUPPORT

Known as the “No Place Like Home” proposition, this does not spend new money. We passed this via Proposition 63 in 2016. What Proposition 2 does is rectify a weakness in that vote that has put a court hold on enacting Prop. 63. Prop. 63 used “the millionaire’s tax” for mental health treatments and supports that we had passed in 2004. It did not, per the courts, adequately permit a diversion of funding from treatment to housing. Proposition 2 will give the necessary legal “clean up” of our intent in passing Proposition 63 to allow creation of housing for those with mental illnesses along with supportive services for their mental health issues.

PROPOSITION 3: Authorizes Bonds to Fund Projects for Water Supply and Quality, Watershed, Fish, Wildlife, Water Conveyance, and Groundwater Sustainability and Storage. Initiative Statute..... Recommendation: SUPPORT

Since 1960 California has proposed 21 water bonds, 20 of which have passed. One of them voters passed in 2014 is largely though not totally expended. What funds remain are already encumbered. The most recent was Proposition 68 that was approved by voters in the June 2008 primary. Clearly those funds have not been used, but while Prop. 68 had some water elements, there is very little overlap in the purposes of each of the two bonds.

Unlike most bonds, the funds raised will go directly to the departments and agencies responsible for the covered projects. That means none of the money will go to the Legislature that might then be diverted to other uses. The money will be distributed to local government, non profits, First Nations tribes, etc. on the basis of grants, some of which will require matching local funds. There has been almost no federal assistance to California’s water issues in many years. The bond specifically bars use of this bond’s revenues for the proposed Twin Tunnels water diversion project.

Prop. 3 covers safe drinking water, improved management of groundwater, wastewater recycling coupled with groundwater desalting and conservation, storm water management, increased water supplies for improved fish and wildlife habitat, watershed improvement and fire damage recovery, flood management, improved river parkways and urban streams, and Bay Area water management integration. Restoration of the Friant-Kern Canal, damaged from ground subsidence due to groundwater depletion, and repair of the Oroville Dam are included. While farmers should pay for restoration, it must first be done. Then the issues of liability can be litigated.

Overall, accessible water supplies will increase due to improved storage and conservation plans. It is estimated that the state will create 1.5 million acre feet of new water supply, enough for 3 million families. Every area of California is assisted with the same regard for prioritizing economically disadvantaged areas that was done in the June Prop. 68 water and parks allocation.

This is a comprehensive, thoughtful set of priorities emphasizing conservation, recycling, and wise use of scarce water resources that should improve the state’s water stability for years to come.

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Ballot Recommendations for the November 2018 Ballot Propositions

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PROPOSITION 4: Authorizes Bonds Funding Construction at Hospitals

Providing Children's Health Care. Initiative Statute Recommendation: SUPPORT

This measure will authorize \$1.5 billion in general obligation bonds to build, renovate, expand, and equip up-to-date non-profit and public hospitals that serve the health care needs of infants and children. The distribution is 72% to seven non-profit hospitals, 18% to five University of California general acute hospitals, and 10% to public and private hospitals that provide services to children eligible for California Children's Services.

Bond funding for bricks-and-mortar or durable equipment is a good investment. As technology expands in pediatrics, the children of California should have access to the highest standards of care. These bond funds will permit statewide access in most regions to that standard of care.

PROPOSITION 5: Changes Requirements for Certain Property Owners to Transfer Their Property Tax Base to Replacement Property. Initiative Constitutional Amendment and Statute..... Recommendation: No Position.

Proposition 5 seeks to give tax reductions to people with disabilities and those over 55. In principle this is a good measure useful in a high priced housing market. California's existing property tax law from the 1978 Proposition 13 has kept those taxes quite low, especially for those with older homes in which they have resided for many years. But those buying today find the new taxes very high, pegged to the market value of far more expensive homes.

The problem comes when people need to move when they are older or disability strikes. These events tend to come with a reduction in income. The soaring home sale prices in the state make it harder for people to find smaller, handicapped –access–friendly or lower maintenance accommodations that aren't considerably more expensive with higher property taxes than they have been paying. That makes them "house rich" but "income poor". While people may sell their existing home for profit to buy a new one, the monthly outlay on new, higher taxes may be prohibitive. Eleven counties now give a tax reduction to people with disabilities or those over 55. This measure would direct all counties to honor that reduction so that people would be free to move.

Counties are concerned that this would reduce a critical tax base and do harm to their public school funding as well. There are reasons why that is accurate and reasons why that may not be true since old houses would be sold at market value, But the concern as expressed by the Legislative Analyst's Office (LAO) is for a \$1 billion loss to counties annually.

The problems with this measure lie in the deep confusion of poorly worded guidelines. Our IMPACT Board came to very different conclusions about what different section meant, and making clear there would be many unintended consequences likely. There are clauses that make it seem this break is renewable and others stating it is a one- time claim. It appears to be hereditary which is a serious flaw.

With these poorly-delineated guidelines and uncertain standards, IMPACT supports the principle but cannot recommend this proposition, no matter how good the intent.

PROPOSITION 6: Eliminates Recently Enacted Road Repair and Transportation Funding by Repealing Revenues Dedicated for those Purposes. Requires any Measure to Enact Certain Vehicle Fuel Taxes and Vehicle Fees be Submitted to and Approved by the Electorate. Initiative Constitutional Amendment. Recommendation: OPPOSE

In 2017 the Legislature on a 2/3 constitutionally-mandated vote (bipartisan with one Republican), passed a tax increase on gasoline. The Road Repair and Accountability Act of 2017 (RRAA) raised the per gallon gasoline tax by \$.12 and by \$.20 for diesel. In the recent June 2018 primary election, voters passed Proposition 69 that requires all funds from this tax be spent exclusively on road and bridge repair.

This proposition is from opponents of that tax. If Proposition 6 passes, the RRAA would be repealed. RRAA is expected to generate \$52.4 billion between 2017 and 2027, all of which would go to repair general surface maintenance (pothole repair and surfacing), fund 1571 projects improving road safety, 554 projects repairing or replacing bridges and overpasses, 337 projects relieving traffic congestion, 453 projects upgrading public transportation operations and services, and 442 projects improving pedestrian safety. Total spending is expected to generate 68,000 new jobs and \$183 billion in economic investments based on high quality highways and road access, all of which would end.

There is no question that sales taxes such as RRAA are regressive. However, those organizations that advocate for the less well-off support the retention of the tax: Congress of California Seniors, NAACP, California League of United Latin American Citizens. The creation of jobs, the improvements for pedestrians and those using public transit are among the broad civic improvements that benefit even the poorest of our residents.

We find strong reasons to support continuation of the tax and to secure the benefits that will accrue. We have deferred this spending for nearly two decades. It must be done now.

PROPOSITION 7: AB 807 (Chapter 60. Statues of 2018) Chu. Daylight saving time Recommendation: No position.

This proposition would direct the Legislature to decide, upon a two-thirds vote, whether or not to continue the state's transfer to and from Daylight Saving Time. The proposition projects permanent Daylight Saving Time year around. This proposition has no moral ground upon which to deliberate acceptance or rejection. It's a matter of personal or professional choice. Farmers don't like it. Recreationists do. While CCC IMPACT takes no position, we do urge you, regardless of outcome, to remember to change your smoke detector batteries at least once a year.

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PROPOSITION 8: Authorizes State Regulation of Kidney Dialysis Clinics. Limits Charges for Patient Care.

Initiative Statute **Recommendation: SUPPORT**

Over 66,000 California residents receive dialysis treatments for kidney failure. Dialysis removes the blood impurities the kidneys no longer can filter, and access to regular dialysis care is essential. Missing even one appointment may create complications that can result in organ failure, even death. Most long-term treatment is done on a three-times weekly basis with the bulk of services provided through two for-profit companies.

These two firms have profits five times higher than cost of service charged by an average hospital. Those with private insurance are charged as much as \$150,000 per year which is a 350% charge over the actual costs. The Affordable Care Act (ACA) once regulated the percentages that could be charged but with those federal controls now largely removed, dialysis has become a particular cost burden. Private insurance, Medicare, Medicaid, and those without insurance at all are carrying the financial load.

This proposition requires dialysis charges be restricted to 115% of direct patient care costs, requires repayments to those overcharged whether private insurance providers or individuals, requires regular reporting on costs, charges, and revenues. Most important, it forbids discrimination against patients based on the source of their payment for care.

As we struggle with finding ways to keep health care both affordable and accessible, this proposition tackles both issues. The reimbursement level is consistent with the standards set by the ACA that worked for both providers and those paying the bills.. It is a reasonable solution to a growing crisis of unaffordable health care including for essential life-saving options.

PROPOSITION 9: Division of California into Three States..... **Removed from ballot by order of the California Supreme Court.**

PROPOSITION 10: Expands Local Governments’ Authority to Enact Rent Control on Residential Property.

Initiative Statute **Recommendation: SUPPORT**

Proposition 10 is another approach to California’s housing crisis. Although the state has 12 % of the nation’s population, we have 22% of the nation’s homeless. Rents for homes and apartments are skyrocketing by double digits in every sector of the state. Because home sale prices have also soared by 40% over the past year, more and more families now rent since saving down payments cannot keep up with the requirements. Sixteen percent of our population pays 50% or more for housing leaving little for other costs, nothing for savings.

The costs add to transportation nightmares with poorer air quality as people are living farther from their jobs in order to find more affordable housing. City workers— police, fire fighters, teachers—rarely live where they work.

This proposition would do two things. It would abolish the existing Costa-Hawkins law that outlawed rent control on buildings constructed after the late 1970s. Second, it would permit cities to create rent control laws that suited their populations. Proposition 10 in no way mandates rent control but does permit it.

There are and always have been negative impacts from rent control. Poor maintenance and upkeep have too often accompanied landlords’ decisions to force people out to raise rents on new tenants. A slowdown in new construction that cannot charge the highest market rates is another. Some of that can be regulated and enforced for the good.

Other housing measures such as the propositions also on this ballot may help, but building affordable housing is slow, and it meets community resistance on siting. Subsidized housing doesn’t always meet the needs of middle income working families who are not poor enough for subsidized housing, but not wealthy enough for market-rate housing.

Will this measure have some of the unintended consequences of poor sustainability? Probably. But because it is up to local jurisdictions and public policy that must have public input, we can learn from past errors how to do this better. With these reservations in mind, communities may make wiser decisions on rent control. It is clear we can no longer wait for other solutions. This is a good step for our working families.

PROPOSITION 11: Requires Private-Sector Emergency Ambulance Employees to Remain on Call During Work Breaks. Changes Other Conditions of Employment. Initiative Statute **Recommendation: OPPOSE**

Proposition 11 is proposed by the corporations that own private ambulance services as a way of thwarting a lawsuit on ambulance employee meal and break time. Public sector ambulance employees are now entitled by law to meal and other breaks without having to be on call. They are not paid for that time unless emergencies pull them into service, at which point they are paid overtime.

The ambulance companies do not wish to pay overtime or hire enough supplementary staff to be on call while others are eating or resting. They want straight time without penalties for intruding on relief time. This is a safety issue since the high stress of emergency responder work requires breaks and meal times in peace. Obviously circumstances can intrude, but this rationalizes unsafe work practices without penalty for the employer. While the bill offers training and mental and emotional health supports, it is not enough to offset the real harm that unrelieved daily stress would impose by making every emergency ambulance driver on call for the entirety of every shift.

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PROPOSITION 12: Establishes New Standards for Confinement of Certain Farm Animals; Bans Sale of Certain Non-Complying Products. Initiative Statute..... Recommendation: OPPOSE

In 2008 California Council of Churches IMPACT supported Proposition 2 that would improve the quality of confinement for farm animals. Federal standards and legal findings affected most animals but not chickens.

Our concern for the humane treatment of chickens rested on two issues: chickens are aggressive toward one another and will kill or maim one another when overcrowded. Highly crowded cages made attacks commonplace. This led to the egg industry's practice of debeaking – cutting part of the beaks off – to prevent chickens from seriously harming one another.

Proposition 2 called for changes in cage sizes that would stop overcrowding and thereby reduce the need for debeaking. Space requirements for each chicken were based on animal behavior: be able to spread wings, turn around, lie down, all without interfering with other chickens. This set a decent standard of care.

Proposition 12 reverses that legal standard. While it calls for “cage free” as a goal, it permits vastly reduced space per chicken and still does not outlaw debeaking and other inhumane practices. Rather than basing the standard on chicken behavior, it requires 1 foot square of space per bird, far too small a space even in “cage free” settings. This is a setback in the humane treatment of chickens

As in the earlier Proposition 2, standards for other farm animals are not seriously at issue in Prop 12. To regress on the standards for chickens and undermine what we already passed in compassion is totally unacceptable.

Spread the Word!

We encourage members and friends to distribute these ballot guides from now until the election through “IMPACT Sundays.” More information on IMPACT Sundays is available on our website. We thank you for your interest in encouraging active deliberation on these and all issues that affect our democratic process and our moral perspectives as people of faith. If you find these recommendations helpful, please help defray the considerable cost with a contribution to California Council of Churches IMPACT. You can help us by making sure we have your email address! Because of the cost of postage, we must cut costs by sending our mailings electronically. Please sign up by clicking the “Join Our Mailing List” button on our website!

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**Ballot Proposition Recommendations
General Election November 6, 2018**

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