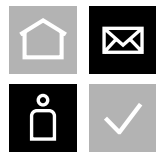


★ ★ ★ ★ ★ OFFICIAL VOTER INFORMATION GUIDE ★ ★ ★ ★ ★

# California General Election

## Tuesday, November 3, 2020

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



# VOTE SAFE

C A L I F O R N I A

Every registered voter in California will receive a vote-by-mail ballot in the General Election. Learn more about changes to the election inside.



### 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 3, 2020, 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 10th day of August, 2020.

Alex Padilla, Secretary of State



# VOTE SAFE at Early Voting Locations

One or more early voting locations will be available in many counties for **at least four days** beginning the Saturday before the **November 3, 2020**, election. Voting locations will offer voter registration, replacement ballots, accessible voting machines, and language assistance.

**You can help keep voting locations safe** for voters and election workers in these three ways:

## 1 Skip the line.

You can return completed ballots **by mail** with no stamp needed, at a secure **ballot drop box**, or at a **voting location**. Voting locations will have separate lines for voters dropping off completed ballots.



Find a nearby drop box or voting location at [CAEarlyVoting.sos.ca.gov](http://CAEarlyVoting.sos.ca.gov)

## 2 Vote early.

If you visit a voting location in person, **go before Election Day** to help with physical distancing. One or more voting locations in many counties will be open for **at least four days** beginning the Saturday before Election Day.

## 3 Follow safety procedures.

Protect your health and the health of other voters and election workers at voting locations by taking the following precautions:

### VOTING LOCATION SAFETY CHECKLIST



**Wear a face covering** while at the voting location.



**Keep 2 arms' length distance** from other people.



**Wash hands** before and after entering the voting location.



**Use hand sanitizer** after touching doors or voting equipment.



**Bring a ballpoint pen** to avoid touching high-contact surfaces.



***Want more information about how to stay safe while voting?***

Review Centers for Disease Control and Prevention guidelines at

[www.cdc.gov/coronavirus/2019-ncov/community/election-polling-locations.html](http://www.cdc.gov/coronavirus/2019-ncov/community/election-polling-locations.html)

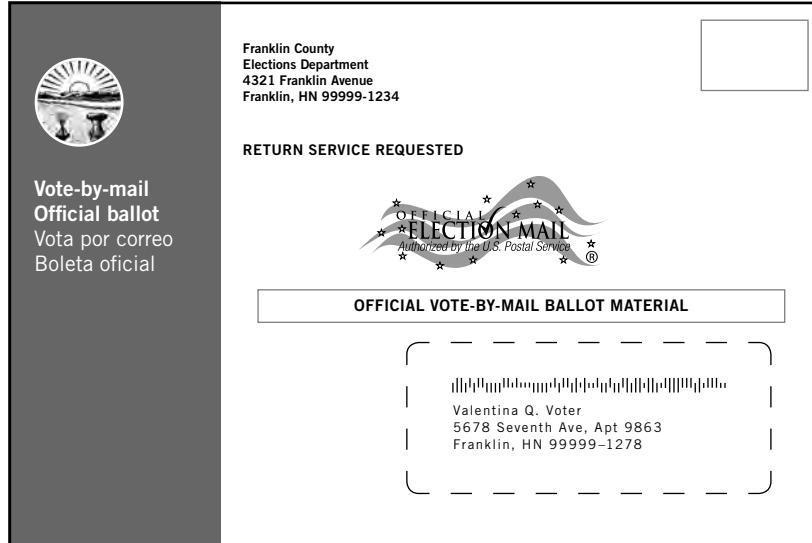
**Voters who can vote by mail will help ensure safe physical distancing at voting locations.**

County elections offices will begin sending vote-by-mail ballots to California voters beginning **October 5, 2020**. Ballots returned by mail must be postmarked by **November 3, 2020**; ballots returned at a secure ballot drop box must be deposited by **8:00 p.m. on November 3, 2020**.



# VOTE SAFE with Your Vote-By-Mail Ballot

All California voters will receive a vote-by-mail ballot for the **November 3, 2020**, election. Your county elections office will begin mailing ballots, similar to the one pictured below, beginning **October 5, 2020**.



## Voting by mail is SAFE and EASY.

After marking your choices on your ballot, simply:




- Seal it.**  
Secure your ballot inside the envelope from your county elections office.
  - Sign it.**  
Make sure the *signature on your ballot envelope matches* the one on your CA driver license/state ID, or the one you provided when registering. Your county elections office will compare them to protect your vote.
  - Return it.**  
By mail—Make sure your ballot is postmarked by **November 3, 2020**. No stamp required!
- OR**
- Track it.**  
You can sign up at [wheresmyballot.sos.ca.gov](http://wheresmyballot.sos.ca.gov) for alerts by text (SMS), email, or voice call on the status of your vote-by-mail ballot.
- In person—Drop your ballot off at a secure drop box, polling place, vote center, or county elections office by **8:00 p.m. on November 3, 2020**.

**Voters who can vote by mail will help ensure safe physical distancing at voting locations.** Voting locations will be available in all counties before Election Day. Voting locations will offer voter registration, replacement ballots, accessible voting machines, and language assistance.

# VOTER BILL OF RIGHTS

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## 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](http://www.sos.ca.gov)
  -  By phone at **(800) 345-VOTE (8683)**
  -  By email at [elections@sos.ca.gov](mailto:elections@sos.ca.gov)

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**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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## Find Your Polling Place or a Vote Center

Polling places and vote centers are established by county elections officials. Look for your polling place address or vote center locations in the county Voter Information Guide that you receive in the mail a few weeks before Election Day.

You may also visit the Secretary of State's website at [vote.ca.gov](http://vote.ca.gov) or call the toll-free Voter Hotline at (800) 345-VOTE (8683).

You can also text *Vote* to GOVOTE (468683) to find the location of your polling place.

If you live in Amador, Butte, Calaveras, El Dorado, Fresno, Los Angeles, Madera, Mariposa, Napa, Nevada, Orange, Sacramento, San Mateo, Santa Clara, or Tuolumne County, you can vote in any vote center in your county. Visit [voterschoice.sos.ca.gov](http://voterschoice.sos.ca.gov) for more information.



# Secretary of State

Dear Fellow Californian,

Free and fair elections are the foundation of American democracy. Throughout our nation's history, we have held elections during times of peace and times of war, during good economic times and during recessions, and even prior pandemics.

In 2020, California elections officials are rising to meet the challenge of COVID-19.

- Every registered voter will receive a vote-by-mail ballot.
- Every registered voter can sign up to receive vote-by-mail ballot tracking by text (SMS), email, or voice call.
- Extra sanitation methods and social distancing measures will be in place at all voting locations.

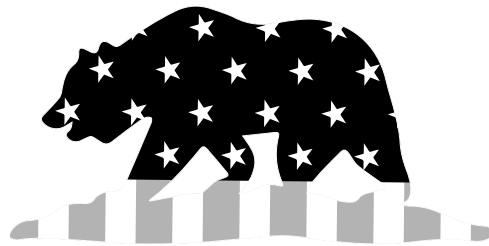
You can visit [vote.ca.gov](https://vote.ca.gov) for more helpful information and tools for this year's election.

If you have any questions about voter registration or casting your ballot this fall, you can contact the Secretary of State's office by calling toll-free **(800) 345-VOTE (8683)**.

As Secretary of State, my mission is to help every citizen vote safely and securely — but I need your help.

Due to COVID-19, there may be fewer in-person voting locations in your county than normal. You can help your community by voting early this year, either by mail or in person. Smaller crowds and shorter lines on Election Day will help elections officials maintain healthier voting locations and allow poll workers to better serve voters who need assistance — including our neighbors with disabilities, those who need assistance in another language, or those who need a replacement ballot.

Please make a plan now for casting your ballot this fall. The participation of citizens — like you — is what makes our democracy so resilient.



## QUICK REFERENCE GUIDE



# California General Election Tuesday, November 3, 2020

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



## VOTE SAFE CALIFORNIA



### **Pull out this Reference Guide and take it with you to the polls!**

This pull-out reference guide contains summary and contact information for each state proposition appearing on the November 3, 2020, ballot.

#### **Special Notice**

- Polls are open from 7:00 a.m. to 8:00 p.m. on Election Day.
- Instructions on how to vote can be obtained from a poll worker or by reading your county Voter Information Guide.
- New voters may be asked to provide identification or other documentation according to federal law. You have the right to cast a provisional ballot, even if you do not provide the documentation.
- Only eligible voters can vote.
- It is against the law to tamper with voting equipment.

# QUICK REFERENCE GUIDE

**PROP 14** AUTHORIZES BONDS CONTINUING STEM CELL RESEARCH. INITIATIVE STATUTE.

**PROP 15** INCREASES FUNDING SOURCES FOR PUBLIC SCHOOLS, COMMUNITY COLLEGES, AND LOCAL GOVERNMENT SERVICES BY CHANGING TAX ASSESSMENT OF COMMERCIAL AND INDUSTRIAL PROPERTY. INITIATIVE CONSTITUTIONAL AMENDMENT.

**SUMMARY** *Put on the Ballot by Petition Signatures*

Authorizes \$5.5 billion state bonds for: stem cell and other medical research, including training; research facility construction; administrative costs. Dedicates \$1.5 billion to brain-related diseases. Appropriates General Fund moneys for repayment. Expands related programs. Fiscal Impact: Increased state costs to repay bonds estimated at about \$260 million per year over the next roughly 30 years.

**WHAT YOUR VOTE MEANS**

**YES** A YES vote on this measure means: The state could sell \$5.5 billion in general obligation bonds primarily for stem cell research and the development of new medical treatments in California.

**NO** A NO vote on this measure means: The state could not sell \$5.5 billion in general obligation bonds primarily for stem cell research and the development of new medical treatments in California.

**ARGUMENTS**

**PRO** Prop. 14 funds further development of treatments and cures for chronic, life-threatening diseases like Cancer, Alzheimer's, Heart Disease, Diabetes, Parkinson's, Kidney Disease. Builds on 2,900 medical discoveries; increases patient access & affordability; stimulates California's economy; ensures strict accountability. Doctors, Nobel Prize Scientists, over 70 leading Patient Advocate Organizations, urge YES on 14.

**CON** No on Prop. 14. Would commit \$7.8 billion we cannot afford during this economic and budget crisis. Funds a state agency with management challenges and poor results after \$3 billion already spent. Servicing debt of Prop. 14 could increase pressure for higher taxes or layoffs of nurses, first responders and other public employees.

**FOR ADDITIONAL INFORMATION**

**FOR**  
YES on 14: Californians for Stem Cell Research, Treatments and Cures  
P.O. Box 20368  
Stanford, CA 94309  
(888) 307-3550  
[YESon14@CAforCures.com](mailto:YESon14@CAforCures.com)  
[www.YESon14.com](http://www.YESon14.com)

**AGAINST**  
John Seiler  
P.O. Box 25683  
Santa Ana, CA 92799  
(714) 376-0109  
[writejohnseiler@gmail.com](mailto:writejohnseiler@gmail.com)

**SUMMARY** *Put on the Ballot by Petition Signatures*

Taxes such properties based on current market value, instead of purchase price. Fiscal Impact: Increased property taxes on commercial properties worth more than \$3 million providing \$6.5 billion to \$11.5 billion in new funding to local governments and schools.

**WHAT YOUR VOTE MEANS**

**YES** A YES vote on this measure means: Property taxes on most commercial properties worth more than \$3 million would go up in order to provide new funding to local governments and schools.

**NO** A NO vote on this measure means: Property taxes on commercial properties would stay the same. Local governments and schools would not get new funding.

**ARGUMENTS**

**PRO** Prop. 15 is a fair and balanced reform that: closes property tax loopholes benefitting wealthy corporations, cuts taxes for small businesses, protects homeowners and renters, requires full transparency and reclaims billions of dollars for schools and local communities. Supported by nurses, teachers, small business owners, affordable housing advocates and community organizations.

**CON** Prop 15 is a \$12.5 billion property tax increase that raises our cost of living and makes everything we buy - food, gas, utilities, day care and health care - more expensive. Prop 15 repeals taxpayer protections in Prop 13. NO on Prop 15!

**FOR ADDITIONAL INFORMATION**

**FOR**  
Tracy Zeluff  
Schools and Communities First—Yes on Prop 15  
731 South Spring St.  
Los Angeles, CA 90014  
(213) 935-8009  
[info@schoolsandcommunitiesfirst.org](mailto:info@schoolsandcommunitiesfirst.org)  
[yes15.org](http://yes15.org)

**AGAINST**  
No on Prop 15—Stop Higher Property Taxes and Save Prop 13  
(916) 538-0376  
[info@NOonProp15.org](mailto:info@NOonProp15.org)  
[www.NOonProp15.org](http://www.NOonProp15.org)



# QUICK REFERENCE GUIDE

**PROP 16** ALLOWS DIVERSITY AS A FACTOR IN PUBLIC EMPLOYMENT, EDUCATION, AND CONTRACTING DECISIONS. LEGISLATIVE CONSTITUTIONAL AMENDMENT.

**PROP 17** RESTORES RIGHT TO VOTE AFTER COMPLETION OF PRISON TERM. LEGISLATIVE CONSTITUTIONAL AMENDMENT.

## SUMMARY *Put on the Ballot by the Legislature*

Permits government decision-making policies to consider race, sex, color, ethnicity, or national origin in order to address diversity by repealing constitutional provision prohibiting such policies. Fiscal Impact: No direct fiscal effect on state and local entities. The effects of the measure depend on the future choices of state and local government entities and are highly uncertain.

## WHAT YOUR VOTE MEANS

**YES** A YES vote on this measure means: State and local entities could consider race, sex, color, ethnicity, and national origin in public education, public employment, and public contracting to the extent allowed under federal and state law.

**NO** A NO vote on this measure means: The current ban on the consideration of race, sex, color, ethnicity, and national origin in public education, public employment, and public contracting would remain in effect.

## ARGUMENTS

**PRO** Prop. 16 expands equal opportunity to all Californians, increasing access to fair wages, good jobs, and quality schools for everyone. Prop. 16 fights wage discrimination and systemic racism, opening up opportunities for women and people of color. Supported by League of Women Voters of California, California Federation of Teachers, Minority Business Consortium, and state higher education leaders. Vote [YesOnProp16.org](http://YesOnProp16.org)

**CON** Politicians want to strip our Constitution of its prohibition on discrimination and preferential treatment based on race, sex, color, ethnicity or national origin. They want to play favorites. If there's anything that should be fundamental in our society it's that the state should treat all Californians equally. VOTE NO.

## FOR ADDITIONAL INFORMATION

**FOR**  
Yes on 16, Opportunity for All Coalition  
1901 Harrison Street, Suite 1550  
Oakland, CA 94612  
(323) 347-1789  
[info@voteyesonprop16.org](mailto:info@voteyesonprop16.org)  
[VoteYesOnProp16.org](http://VoteYesOnProp16.org)

**AGAINST**  
Ward Connerly, President  
Gail Heriot and  
Manuel Klausner, Co-chairs  
Californians for Equal Rights  
No on 16  
P.O. Box 26935  
San Diego, CA 92196  
[info@californiansforequalrights.org](mailto:info@californiansforequalrights.org)  
<https://californiansforequalrights.org/>

## SUMMARY *Put on the Ballot by the Legislature*

Restores voting rights upon completion of prison term to persons who have been disqualified from voting while serving a prison term. Fiscal Impact: Annual county costs, likely in the hundreds of thousands of dollars statewide, for voter registration and ballot materials. One-time state costs, likely in the hundreds of thousands of dollars, for voter registration cards and systems.

## WHAT YOUR VOTE MEANS

**YES** A YES vote on this measure means: People on state parole who are U.S. citizens, residents of California, and at least 18 years of age would be able to vote, if they register to vote.

**NO** A NO vote on this measure means: People on state parole would continue to be unable to vote in California.

## ARGUMENTS

**PRO** Prop. 17 restores a citizen's right to vote after they finish their prison term—aligning California with other states. A recent parole commission report found that citizens who complete their prison terms and have their voting rights restored are less likely to commit future crimes. Yes on Prop. 17.

**CON** Vote NO on Proposition 17 because it: • Amends California's Constitution to grant violent criminals the right to vote before completing their sentence including parole. • Allows criminals convicted of murder, rape and child molestation to vote before paying their debt to society. • Denies justice to crime victims.

## FOR ADDITIONAL INFORMATION

**FOR**  
Dana Williamson  
Free the Vote, Yes on Prop. 17  
1787 Tribute Road, Suite K  
Sacramento, CA 95815  
(916) 382-4686  
[YesonProp17@gmail.com](mailto:YesonProp17@gmail.com)  
[Yeson17.vote](http://Yeson17.vote)

**AGAINST**  
Ruth Weiss  
Election Integrity Project  
California  
27943 Seco Canyon Rd. #521  
Santa Clarita, CA 91350  
[ruthweiss@eip-ca.com](mailto:ruthweiss@eip-ca.com)  
[www.eip-ca.com](http://www.eip-ca.com)

# QUICK REFERENCE GUIDE

**PROP  
18**

**AMENDS CALIFORNIA CONSTITUTION TO PERMIT 17-YEAR-OLDS TO VOTE IN PRIMARY AND SPECIAL ELECTIONS IF THEY WILL TURN 18 BY THE NEXT GENERAL ELECTION AND BE OTHERWISE ELIGIBLE TO VOTE. LEGISLATIVE CONSTITUTIONAL AMENDMENT.**

**PROP  
19**

**CHANGES CERTAIN PROPERTY TAX RULES. LEGISLATIVE CONSTITUTIONAL AMENDMENT.**

## SUMMARY

*Put on the Ballot by the Legislature*

Fiscal Impact: Increased statewide county costs likely between several hundreds of thousands of dollars and \$1 million every two years. Increased one-time costs to the state of hundreds of thousands of dollars.

## WHAT YOUR VOTE MEANS

**YES** A YES vote on this measure means: Eligible 17-year-olds who will be 18 years old by the time of the next general election may vote in the primary election and any special elections preceding the general election.

**NO** A NO vote on this measure means: No one younger than 18 years of age may vote in any election.

## ARGUMENTS

**PRO** Proposition 18 will allow first-time voters to participate in a full election cycle provided that they are 18 by the time of the general election. This measure is needed to boost youth civic engagement in our elections and help create more lifelong participants in the most fundamental process of democracy.

**CON** Science and legal consistency demand a NO vote on Proposition 18. Law prohibits younger teens from smoking, drinking and even tanning because research shows the logic and reasoning area of their brains is not fully developed. Those abilities are vital to responsible voting. We must not lower the voting age.

## FOR ADDITIONAL INFORMATION

### FOR

Assemblymember Kevin Mullin  
info@caprop18.com  
CAprop18.com

### AGAINST

Ruth Weiss  
Election Integrity Project  
California  
27943 Seco Canyon Rd. #521  
Santa Clarita, CA 91350  
(661) 313-5251  
info@eip-ca.com  
www.eip-ca.com

## SUMMARY

*Put on the Ballot by the Legislature*

Allows homeowners who are over 55, disabled, or wildfire/disaster victims to transfer primary residence's tax base to replacement residence. Changes taxation of family-property transfers. Establishes fire protection services fund. Fiscal Impact: Local governments could gain tens of millions of dollars of property tax revenue per year, probably growing over time to a few hundred million dollars per year. Schools could receive similar property tax gains.

## 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. Only inherited properties used as primary homes or farms would be eligible for property tax savings.

**NO** A NO vote on this measure means: Some homeowners who are over 55 (or who meet other qualifications) would continue to be eligible for property tax savings when they move. All inherited properties would continue to be eligible for property tax savings.

## ARGUMENTS

**PRO** Prop. 19 Limits Taxes on Seniors, Severely Disabled Homeowners, and Wildfire Victims; CLOSES unfair tax loopholes used by wealthy out-of-state investors; and PROTECTS Prop. 13 savings. Join Disability Rights and Senior/Housing Advocates, Firefighters, Emergency Medical Responders, Business & Labor, Democrats & Republicans. Get the Facts at YESon19.vote.

**CON** Proposition 19 is a billion-dollar tax increase on families. It takes away one of the best tools parents have to help their children—the right, enshrined in California's Constitution since 1986, to pass their home and other property on without any increase in property taxes. VOTE NO ON 19.

## FOR ADDITIONAL INFORMATION

### FOR

Yes on 19  
(916) 492-5210  
info@Yeson19.vote  
www.Yeson19.vote.

### AGAINST

Howard Jarvis Taxpayers Association  
921 11th St #1201  
Sacramento, CA 95814  
(916) 444-9950  
(213) 384-9656  
info@hjta.org  
www.HJTA.org

# QUICK REFERENCE GUIDE

**PROP 20** RESTRICTS PAROLE FOR CERTAIN OFFENSES CURRENTLY CONSIDERED TO BE NON-VIOLENT. AUTHORIZES FELONY SENTENCES FOR CERTAIN OFFENSES CURRENTLY TREATED ONLY AS MISDEMEANORS. INITIATIVE STATUTE.

**PROP 21** EXPANDS LOCAL GOVERNMENTS' AUTHORITY TO ENACT RENT CONTROL ON RESIDENTIAL PROPERTY. INITIATIVE STATUTE.

**SUMMARY** *Put on the Ballot by Petition Signatures*

Limits access to parole program established for non-violent offenders who have completed the full term of their primary offense by eliminating eligibility for certain offenses. Fiscal Impact: Increase in state and local correctional, court, and law enforcement costs likely in the tens of millions of dollars annually, depending on implementation.

**WHAT YOUR VOTE MEANS**

**YES** A YES vote on this measure means: People who commit certain theft-related crimes (such as repeat shoplifting) could receive increased penalties (such as longer jail terms). Additional factors would be considered for the state's process for releasing certain inmates from prison early. Law enforcement would be required to collect DNA samples from adults convicted of certain misdemeanors.

**NO** A NO vote on this measure means: Penalties for people who commit certain theft-related crimes would not be increased. There would be no change to the state's process for releasing certain inmates from prison early. Law enforcement would continue to be required to collect DNA samples from adults only if they are arrested for a felony or required to register as sex offenders or arsonists.

**ARGUMENTS**

**PRO** Proposition 20 closes a loophole in the law that now allows convicted child molesters, sexual predators and others convicted of violent crimes to be released from prison early. Proposition 20 also expands DNA collection to help solve rapes, murders and other serious crimes, and strengthens sanctions against habitual thieves who steal repeatedly.

**CON** Prop. 20 is a prison spending scam. California already has severe and lengthy sentences—including life in prison—for serious and violent crimes. Prison special interests want to scare you into spending tens of millions on prisons which could force draconian cuts to rehabilitation, schools, mental health, and homelessness.

**FOR ADDITIONAL INFORMATION**

**FOR**  
Nina Salarno Besselman,  
Proponent  
Yes on 20—Keep California Safe  
YesOn20.org

**AGAINST**  
Dana Williamson  
Stop the Prison Spending Scam, No on Prop 20  
1787 Tribute Road, Suite K  
Sacramento, CA 95815  
(916) 382-4686  
NoOnProp20@gmail.com  
NoProp20.vote

**SUMMARY** *Put on the Ballot by Petition Signatures*

Allows local governments to establish rent control on residential properties over 15 years old. Local limits on rate increases may differ from statewide limit. Fiscal Impact: Overall, a potential reduction in state and local revenues in the high tens of millions of dollars per year over time. Depending on actions by local communities, revenue losses could be less or more.

**WHAT YOUR VOTE MEANS**

**YES** A YES vote on this measure means: State law would allow cities and counties to apply more kinds of rent control to more properties than under current law.

**NO** A NO vote on this measure means: State law would maintain current limits on rent control laws cities and counties can apply.

**ARGUMENTS**

**PRO** Proposition 21 is the change we need to tackle homelessness. A YES Vote on Proposition 21 is a vote to keep families in their homes. A strong coalition of elected leaders; affordable housing providers; and senior, veteran, and homeless advocates agree that Proposition 21 will help prevent homelessness.

**CON** Prop. 21 will make California's housing crisis worse. Prop. 21 undermines the strongest statewide rent control law in the nation, costs jobs, reduces home values, stops new housing from being built, and eliminates homeowner protections while providing no protections for renters, seniors, veterans or the disabled.

**FOR ADDITIONAL INFORMATION**

**FOR**  
Yes on 21—Renters and Homeowners United to Keep Families in Their Homes  
6500 Sunset Blvd.  
Los Angeles, CA 90028  
(323) 962-0140  
contact@YesOn21CA.org  
www.YesOn21CA.org

**AGAINST**  
info@noonprop21.vote  
https://noonprop21.vote/

# QUICK REFERENCE GUIDE

**PROP 22** EXEMPTS APP-BASED TRANSPORTATION AND DELIVERY COMPANIES FROM PROVIDING EMPLOYEE BENEFITS TO CERTAIN DRIVERS. INITIATIVE STATUTE.

**PROP 23** ESTABLISHES STATE REQUIREMENTS FOR KIDNEY DIALYSIS CLINICS. REQUIRES ON-SITE MEDICAL PROFESSIONAL. INITIATIVE STATUTE.

## SUMMARY *Put on the Ballot by Petition Signatures*

Classifies app-based drivers as “independent contractors,” instead of “employees,” and provides independent-contractor drivers other compensation, unless certain criteria are met. Fiscal Impact: Minor increase in state income taxes paid by rideshare and delivery company drivers and investors.

### WHAT YOUR VOTE MEANS

**YES** A YES vote on this measure means: App-based rideshare and delivery companies could hire drivers as independent contractors. Drivers could decide when, where, and how much to work but would not get standard benefits and protections that businesses must provide employees.

**NO** A NO vote on this measure means: App-based rideshare and delivery companies would have to hire drivers as employees if the courts say that a recent state law makes drivers employees. Drivers would have less choice about when, where, and how much to work but would get standard benefits and protections that businesses must provide employees.

### ARGUMENTS

**PRO** Yes on 22 PROTECTS app-based drivers' choice to be independent contractors—by 4:1 margin drivers support independence! • SAVES rideshare, delivery services & hundreds of thousands of jobs • PROVIDES drivers new benefits, earnings guarantee • STRENGTHENS public safety • ENDORSED by overwhelming majority of drivers, community, public safety, small business groups • [VoteYesProp22.com](http://VoteYesProp22.com)

**CON** No on 22 stops billion-dollar app companies like Uber, Lyft, and DoorDash from writing their own exemption to California law and profiting from it. 22 denies their drivers rights and safety protections they deserve: sick leave, healthcare and unemployment. Companies profit; exploited drivers lose rights and protections. Vote NO.

### FOR ADDITIONAL INFORMATION

**FOR** Yes on 22—Save App-Based Jobs & Services (877) 581-8711 [info@protectdriversandservices.com](mailto:info@protectdriversandservices.com) [www.VoteYesProp22.com](http://www.VoteYesProp22.com)

**AGAINST** No on Prop 22, Slam the Brakes on Uber, Lyft and DoorDash 600 Grand Avenue #410 Oakland, CA 94610 (213) 537-4863 [info@nooncaprop22.com](mailto:info@nooncaprop22.com) [nooncaprop22.com](http://nooncaprop22.com)

## SUMMARY *Put on the Ballot by Petition Signatures*

Requires physician, nurse practitioner or physician assistant on site during dialysis treatment. Prohibits clinics from reducing services without state approval. Prohibits clinics from refusing to treat patients based on payment source. Fiscal Impact: Increased state and local government costs likely in the low tens of millions of dollars annually.

### WHAT YOUR VOTE MEANS

**YES** A YES vote on this measure means: Chronic dialysis clinics would be required to have a doctor on-site during all patient treatment hours.

**NO** A NO vote on this measure means: Chronic dialysis clinics would not be required to have a doctor on-site during all patient treatment hours.

### ARGUMENTS

**PRO** Combats poor hygiene in dialysis clinics by requiring infection reporting. Improves staffing, including requiring a doctor in clinics during treatment. Stops discrimination based on patients' insurance. Applies improvements to ALL clinics, whether in wealthy neighborhoods or poor, rural, Black or Brown communities. Patients, healthcare professionals, veterans, faith leaders agree: [YesOnProp23.com](http://YesOnProp23.com)

**CON** American Nurses Association\ California, California Medical Association, patient advocates strongly urge NO on 23! Prop. 23 would force many community dialysis clinics to shut down—threatening the lives of 80,000 California patients who need dialysis to survive. Prop. 23 increases health care costs by hundreds of millions annually; makes our doctor shortage and ER overcrowding worse. [NoProposition23.com](http://NoProposition23.com)

### FOR ADDITIONAL INFORMATION

**FOR** Yes on Prop 23: Better Care for Dialysis Patients (888) 251-5367 [info@YesOnProp23.com](mailto:info@YesOnProp23.com) [www.YesOnProp23.com](http://www.YesOnProp23.com)

**AGAINST** No on 23—Stop the Dangerous & Costly Dialysis Proposition (888) 424-0650 [info@NoProposition23.com](mailto:info@NoProposition23.com) [www.NoProposition23.com](http://www.NoProposition23.com)

# QUICK REFERENCE GUIDE

**PROP 24** AMENDS CONSUMER PRIVACY LAWS. INITIATIVE STATUTE.

**PROP 25** REFERENDUM ON LAW THAT REPLACED MONEY BAIL WITH SYSTEM BASED ON PUBLIC SAFETY AND FLIGHT RISK.

## SUMMARY *Put on the Ballot by Petition Signatures*

Permits consumers to: prevent businesses from sharing personal information, correct inaccurate personal information, and limit businesses' use of "sensitive personal information," including precise geolocation, race, ethnicity, and health information. Establishes California Privacy Protection Agency. Fiscal Impact: Increased annual state costs of at least \$10 million, but unlikely exceeding low tens of millions of dollars, to enforce expanded consumer privacy laws. Some costs would be offset by penalties for violating these laws.

### WHAT YOUR VOTE MEANS

**YES** A YES vote on this measure means: Existing consumer data privacy laws and rights would be expanded. Businesses required to meet privacy requirements would change. A new state agency and the state's Department of Justice would share responsibility for overseeing and enforcing state consumer privacy laws.

**NO** A NO vote on this measure means: Businesses would continue to be required to follow existing consumer data privacy laws. Consumers would continue to have existing data privacy rights. The state's Department of Justice would continue to oversee and enforce these laws.

### ARGUMENTS

**PRO** YES ON PROP. 24 TO STRENGTHEN PRIVACY RIGHTS Parents, Common Sense Media, the California NAACP and a Nobel Prize winning economist say vote YES on PROP. 24. Make privacy laws stronger! Protect kids online! Strengthen privacy laws and hold corporations accountable when they violate your fundamental rights. YES ON PROP. 24!

**CON** Proposition 24 reduces your privacy rights in California. Proposition 24 allows "pay for privacy" schemes, makes workers wait years to learn what confidential information employers collect on them, and makes it harder to stop tech giants from selling your information. Proposition 24 was written behind closed doors with input from social media corporations.

### FOR ADDITIONAL INFORMATION

**FOR**  
Robin Swanson  
Californians for Consumer Privacy  
1020 16th Street #31  
Sacramento, CA 95814  
(916) 440-0424  
info@caprivacy.org  
www.caprivacy.org

**AGAINST**  
Californians For Real Privacy  
CaliforniansForRealPrivacy.org  
mail@RealPrivacyNoOn24.org  
(415) 634-0335

## SUMMARY *Put on the Ballot by Petition Signatures*

A "Yes" vote approves, and a "No" vote rejects, law replacing money bail with system based on public safety and flight risk. Fiscal Impact: Increased costs possibly in mid hundreds of millions of dollars annually for a new process for release from jail prior to trial. Decreased county jail costs, possibly in high tens of millions of dollars annually.

### WHAT YOUR VOTE MEANS

**YES** A YES vote on this measure means: No one would pay bail to be released from jail before trial. Instead, people would either be released automatically or based on their assessed risk of committing another crime or not appearing in court if released. No one would be charged fees as a condition of release.

**NO** A NO vote on this measure means: Some people would continue to pay bail to be released from jail before trial. Other people could continue to be released without paying bail. Fees may continue to be charged as a condition of release.

### ARGUMENTS

**PRO** Yes on 25 replaces money bail with a fairer, safer and less costly process. Currently, if a person can afford to pay a bail bond company, they go free until trial. If they can't afford to pay, even if they're innocent, they stay in jail. That's blatant discrimination. Vote YES.

**CON** Prop. 25 was written by Sacramento politicians to take away every Californian's option to post bail and replaces this right with a new DISCRIMINATORY system of computer-generated PROFILING administered by government bureaucrats—costing taxpayers hundreds of millions of dollars a year. Prop. 25 is unfair, unsafe and costly. Vote NO on Prop. 25.

### FOR ADDITIONAL INFORMATION

**FOR**  
Yes on Prop. 25, End Money Bail  
1130 K Street, Suite 300  
Sacramento, CA 95814  
(213) 373-5225  
info@yesoncaprop25.com  
yesoncaprop25.com

**AGAINST**  
No on Prop. 25—Stop the Unfair, Unsafe and Costly Ballot Proposition  
(916) 209-0144  
info@stopprop25.com  
StopProp25.com



# Complete the 2020 Census Today!



Taking just a few minutes to answer the **9 simple questions** helps determine dollars that fund important programs for the next 10 years.

**The Census provides billions of dollars to help support key community services, including:**



**HEALTHCARE FACILITIES & EMERGENCY SERVICES**



**CHILDREN'S NUTRITIONAL PROGRAMS**



**HOUSING & EDUCATION PROGRAMS**



**ECONOMIC DEVELOPMENT & JOBS CREATION**

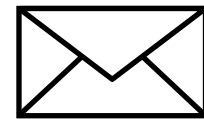
Californians can help achieve a complete count by participating in one of three ways:



**ONLINE AT**  
*[my2020census.gov](http://my2020census.gov)*



**BY PHONE AT**  
**844-330-2020**



**BY MAIL**  
Complete and return your Census form!

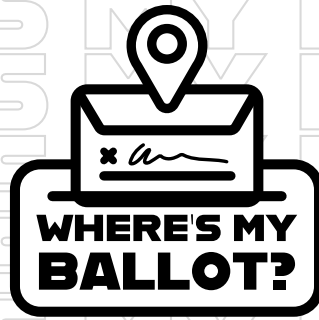
All communities deserve the opportunity to thrive and provide for their families.

## Complete the Census before September 30, 2020.

Your 2020 Census data is safe, protected, and confidential.

*[CaliforniaCensus.org](http://CaliforniaCensus.org)*

@CACensus



The California Secretary of State is now offering voters a new way to track and receive notifications on the status of their vote-by-mail ballot. The “Where’s My Ballot?” tool lets voters know where their ballot is, and its status, every step of the way. Sign up at [WheresMyBallot.sos.ca.gov](http://WheresMyBallot.sos.ca.gov).

When you sign up for “Where’s My Ballot?” you will receive automatic updates when your county elections office:

- Mails your ballot,
- Receives your ballot,
- Counts your ballot, or
- If there are any issues with your ballot.

Voters who sign up at [WheresMyBallot.sos.ca.gov](http://WheresMyBallot.sos.ca.gov) can choose to receive automatic updates by:

- Email
- Text Message (SMS)
- Voice Call

**Tracking your ballot  
—when it is mailed, received, and counted—  
has never been easier.**

**[WheresMyBallot.sos.ca.gov](http://WheresMyBallot.sos.ca.gov)**



PROPOSITION **14** AUTHORIZES BONDS CONTINUING STEM CELL RESEARCH. INITIATIVE STATUTE.

OFFICIAL TITLE AND SUMMARY

PREPARED BY THE ATTORNEY GENERAL

The text of this measure can be found on page 89 and the Secretary of State’s website at [voterguide.sos.ca.gov](http://voterguide.sos.ca.gov).

- Authorizes \$5.5 billion in state general obligation bonds to fund grants from the California Institute of Regenerative Medicine to educational, nonprofit, and private entities for: stem cell and other medical research, including training; stem cell therapy development and delivery; research facility construction; and associated administrative expenses.
- Dedicates \$1.5 billion to research and therapy for Alzheimer’s, Parkinson’s, stroke, epilepsy, and other brain and central nervous system diseases and conditions.
- Appropriates General Fund moneys to pay bond debt service.
- Expands programs promoting stem cell and other medical research, therapy development and delivery, and student and physician training and fellowships.

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

- Increased state costs to repay bonds estimated at about \$260 million per year over the next roughly 30 years.

Summary of State Costs	
<b>New Borrowing</b>	
Principal	\$5.5 billion
Interest	2.3 billion
<b>Total Estimated Cost</b>	<b>\$7.8 billion</b>
<b>Payments</b>	
Average annual cost	\$260 million
Assumed payment period	30 years
Source of payments	Primarily General Fund tax revenue

ANALYSIS BY THE LEGISLATIVE ANALYST

**BACKGROUND**

**Researchers Use Stem Cells to Study and Treat Many Diseases.** Stem cells are certain types of cells that exist within humans. Researchers are interested in stem cells for their potential to regenerate cells, tissues, and organs, thereby potentially helping to treat or cure certain diseases. Researchers engaged in “regenerative medicine” are focused on addressing many diseases, including Alzheimer’s disease, HIV/AIDS, stroke, diabetes, and cancer.

**Voters Approved Earlier Stem Cell Ballot Measure.** In 2004, voters approved Proposition 71, which added a provision to

the State Constitution affirming the right of researchers in California to conduct stem cell research. The measure also created the California Institute for Regenerative Medicine (CIRM), primarily for the purpose of providing grants to universities and other entities in California to support stem cell research, development of new treatments, clinical trials, new research facilities, and other related activities. The measure also established (1) a governing board to adopt CIRM policies and allocate grant funds, (2) three advisory working groups to help guide the governing board on certain matters, and (3) an independent oversight committee to review CIRM’s finances.



**ANALYSIS BY THE LEGISLATIVE ANALYST**

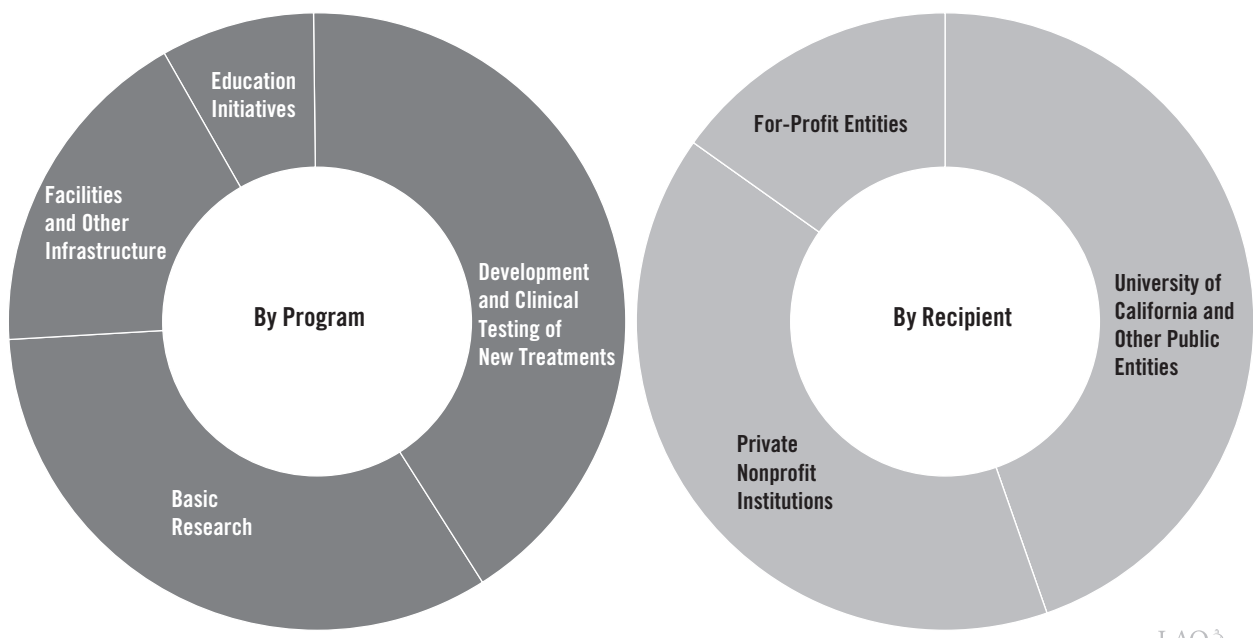
CONTINUED

**Measure Allowed State to Issue General Obligation Bonds.** Proposition 71 allowed the state to sell \$3 billion in general obligation bonds, which are a form of borrowing. The state sold the bonds to investors, and the money generated from these sales funded CIRM grants and operations. After selling bonds, the state has been repaying investors with interest over many years. As is typically the case with these kinds of bonds, the state has made most debt payments from the General Fund—the state’s main operating account, which pays for education, prisons, health care, and other public services. The measure required that a small amount of interest be paid by funds from the bond sales. (For more information on the state’s use of bonds, see “Overview of State Bond Debt” later in this guide.)

**Grants Have Funded Several Purposes.** Figure 1 shows how CIRM has used its grant funding. Funded projects have involved conducting basic science research (such as laboratory research on stem cells), developing potential treatments, and undertaking clinical trials. Grant funds also have supported other activities, including construction of new research facilities and research internships for college students. The University of California has received the greatest amount of grant funding, followed by private nonprofit universities and institutions (such as Stanford University). In addition to receiving a grant from CIRM, many grant recipients receive additional funding from other sources for their projects. Other common fund sources are industry

**Figure 1**

**Summary of Proposition 71 Stem Cell Grants**  
\$2.7 Billion Awarded Since 2004



## ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

contributions, private donations, and federal grants.

### ***Grant Recipients Are Required to Share Invention-Related Income With the State.***

Some stem cell research can lead to new inventions, including new medical technologies and treatments. Proposition 71 required grant recipients who license or sell their inventions to share a portion of the resulting income with the state. The state's share of the income is deposited into the General Fund and may be used to support any state program. Over the years, CIRM's governing board has developed rules for how income revenue is shared with the state. The state began receiving income from CIRM-funded inventions in 2017. To date, these inventions have provided a total of approximately \$350,000 to the state.

***CIRM Has Spent Nearly All Available Funds.*** As of June 2020, CIRM had spent most of its Proposition 71 funds. According to CIRM, around \$30 million remains available for grants. As it nears the end of its funding, CIRM has been decreasing its staffing. The institute currently employs 35 full-time staff, down from its peak of over 50 full-time staff. It plans to maintain some staff for the next few years as remaining projects are completed.

## PROPOSAL

### ***Authorizes New Bonds for Stem Cell Activities.***

Proposition 14 allows the state to sell \$5.5 billion in general obligation bonds. The bonds primarily would fund additional grants to support research and the development of treatments (including clinical trials) for many diseases. The proposition sets aside at least \$1.5 billion specifically to research and develop treatments for diseases affecting the brain and central nervous system (such

as Alzheimer's disease and Parkinson's disease). The proposition directs CIRM to allocate a small share of grant funding for training opportunities for students at the California State University and the California Community Colleges, as well as a small share for helping to establish and support facilities focused on research and clinical trials. For some types of grants, CIRM would be required to ensure grant recipients are located across the state and prioritize applicants that offer matching funds. The proposition allows CIRM to spend no more than 7.5 percent of bond funds on its administrative costs.

### ***Establishes Certain Rules Relating to the Bonds.***

The proposition limits the amount of bonds the state could sell to \$540 million per year, thereby spreading out bond sales over at least 11 years. For the first five years after the proposition is approved, the state would make interest payments using funds from the bond sales, thereby reducing the amount of bond funding available for research projects. Beginning January 1, 2026, the state would no longer use funds from bond sales to make interest payments. Instead, the state would make remaining debt payments from the General Fund.

***Makes Numerous Changes to CIRM.*** Most notably, the proposition makes several changes intended to improve patient access to stem cell treatments. The proposition allows CIRM to hire up to 15 full-time employees specifically for developing policies and programs relating to improving access to and affordability of treatments for patients. (The institute would be allowed up to 70 full-time employees for other operational purposes.) A new advisory working group of experts would support CIRM's governing board in these matters. Further, any

**ANALYSIS BY THE LEGISLATIVE ANALYST**

CONTINUED

invention-related revenue that is deposited into the General Fund would be used to help pay for patients’ regenerative medicine treatments. Among various other changes, the proposition also increases the number of members on CIRM’s governing board from 29 to 35.

**FISCAL EFFECTS**

**Total Estimated State Costs of \$7.8 Billion.** The cost to repay the bonds authorized by this proposition depends on various factors, such as the interest rates on the bonds and the time period over which they are repaid. We estimate the total cost to pay off the bonds would be \$7.8 billion—\$5.5 billion for the principal and \$2.3 billion for the interest. State costs would average **about \$260 million per year for about 30 years**. This amount is less than 1 percent of the state’s current General Fund budget.

**Difficult to Estimate Invention-Related Income Available for Patients’ Treatment Costs.** The amount of revenue from new inventions that would be available to the state for helping to cover costs for patients’ regenerative medicine treatments is uncertain. Many times, research does not lead to an invention. Also, a significant amount of time

typically passes from starting a research project to licensing or selling an associated invention. To date, the state has collected a few hundred thousand dollars in invention-related income. Past revenue collections, however, might not accurately predict future revenue.

**Other Possible Fiscal Effects.** The proposition could result in numerous indirect effects on state and local governments. For example, if the proposition were to result in new treatments, state and local government costs for some programs such as Medi-Cal, the state’s subsidized health care program for low-income people, could be affected. The net fiscal impact of the indirect effects of this proposition is unknown.

Visit <http://cal-access.sos.ca.gov/campaign/measures/> for a list of committees primarily formed to support or oppose this measure.

Visit <http://www.fppc.ca.gov/transparency/top-contributors.html> to access the committee’s top 10 contributors.

**A copy of the full text of this state measure can be found on page 89 of this guide.**

★ ARGUMENT IN FAVOR OF PROPOSITION 14 ★

PROPOSITION 14: STEM CELL TREATMENTS, CURES, AND SAVING LIVES. Nearly half of all California families include a child or adult with medical conditions who could benefit from Stem Cell research, treatments, and cures.

Prop. 14 provides continued funding to develop treatments, advance clinical trials and achieve new scientific breakthroughs for California's patients with Cancer, Diabetes, Heart Disease, Alzheimer's, Parkinson's, HIV/AIDS, ALS, MS, Sickle Cell Disease, Lung Diseases, Kidney Disease, Bubble Baby Disease, Age-Related Blindness and Genetic Blindness, Epilepsy, Stroke, Schizophrenia, Autism, other Mental Health and Brain Conditions, and Infectious Diseases like COVID-19.

BUILDING ON CONTINUING SUCCESS: 92 FDA-APPROVED CLINICAL TRIALS / 2,900 MEDICAL DISCOVERIES TO DATE. California's original Stem Cell funding, which runs out this year, has already led to significant progress in the development of treatments and cures, including 92 FDA-approved clinical trials for chronic disease and injuries, over 2,900 medical discoveries, and demonstrated benefits for patients and research on chronic diseases including: Cancer, Diabetes, Heart Conditions, Blindness, HIV/AIDS, ALS, Children with Immune Deficiencies, Paralysis, and Kidney Disease.

SUCCESS STORIES OF CALIFORNIA PATIENTS TREATED INCLUDE: • A high school student paralyzed in a diving accident has regained upper body function. • A mother blinded by a genetic disease is regaining her eyesight. • A cure was discovered for a fatal disease that causes children to be born without functioning immune systems. • FDA-approved treatments for two types of fatal blood cancers. Hear from more patients at www.YESon14.com/successes

SUPPORTED BY OVER 70 PATIENT ADVOCATE ORGANIZATIONS. A YES vote on Prop. 14 is endorsed by the University of California, NOBEL PRIZE WINNERS, leading patient and medical science advocates, and more than 70 PATIENT ADVOCATE ORGANIZATIONS, including: American Association for Cancer Research • American Diabetes Association • Leukemia & Lymphoma Society • Juvenile Diabetes Research Foundation • The Michael J. Fox Foundation for Parkinson's Research • ALS Association, Golden West Chapter • CURE—Citizens United for Research in Epilepsy • One Mind • Immune Deficiency Foundation • Women's

Alzheimer's Movement • Alzheimer's Los Angeles • Christopher & Dana Reeve Foundation for Paralysis • Cystic Fibrosis Research, Inc. • Arthritis Foundation • Sickle Cell Disease Foundation of California • Foundation for Fighting Blindness • San Francisco AIDS Foundation

"Prop. 14 builds on California's progress to date, helping to accelerate medical breakthroughs out of the lab and into clinical trials, where they can help improve and save patient lives."—Dr. Adriana Padilla, Fresno

INCREASES PATIENT ACCESS & AFFORDABILITY. Dedicates "The Treatment and Cures Accessibility and Affordability Working Group" experts to dramatically expand access to clinical trials and new therapies, make treatments and cures more affordable for Californians, and provide patients, their families, and caregivers with financial assistance.

ECONOMIC AND JOBS RECOVERY STIMULUS. New revenues, economic activity and jobs are generated by this funding that will contribute to California's economic recovery. There are no State bond payments during the first five years; and, supporting California's Stem Cell program will only cost the State an average of less than \$5 per person annually.

ENSURES STRICT ACCOUNTABILITY & TRANSPARENCY. California's Controller chairs The Citizens Financial Accountability Oversight Committee, which reviews independent, financial, and performance audits, of the funding Institute. The Institute complies with California's Open Meeting Act, Public Records Act, and Political Reform Act.

Chronic diseases, conditions and injuries are cutting lives short, and costing Californians billions in healthcare costs. We must continue our investment, developing Stem Cell treatments to improve the health and reduce the suffering of millions of Californians.

VOTE YES ON 14. IT COULD SAVE YOUR LIFE OR THE LIFE OF SOMEONE YOU LOVE. www.YESon14.com

ANTONI RIBAS, M.D., Ph.D., President American Association for Cancer Research
CYNTHIA E. MUÑOZ, Ph.D., MPH, President American Diabetes Association-Los Angeles
ROBERT A. HARRINGTON, M.D., Chairman Department of Medicine, Stanford University

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 14 ★

VOTE NO ON PROP. 14

HUGE COSTS

As you can see from reading the ballot argument above, proponents are attempting to minimize the cost of this initiative.

The total cost is actually \$7.3 billion—a huge sum during this moment of economic crisis, with soaring unemployment and budget shortfalls.

FAILED PROMISES

Proponents are making empty promises about revenues and jobs.

The San Francisco Chronicle examined similar promises made to California voters years ago—and concluded the "predicted windfall has not materialized."

Independent experts and news outlets have questioned the management and transparency record of the state bureaucracy

that would spend the billions authorized by Prop. 14.

Only a few federally approved therapies have resulted from the \$3 billion this state bureaucracy has spent to date.

NOT THE ANSWER

Medical research is important. We all agree there is a need to find cures and treatments for diseases afflicting so many.

But Prop. 14 is not the answer.

The federal government and private investors are spending billions to find cures.

The State of California taxpayer has done enough.

Vote NO on Prop. 14.

VINCENT FORTANASCE, M.D.
PATRICK JAMES BAGGOT, M.D.

★ ARGUMENT AGAINST PROPOSITION 14 ★

**WE CAN'T AFFORD TO WASTE BILLIONS**

In the middle of an economic crisis, with soaring unemployment and budget shortfalls in the tens of billions of dollars, we don't have money to burn.

We simply cannot afford the \$5 billion that proponents of Prop. 14 are asking for.

And that's on top of the nearly \$3 billion this troubled state agency has spent over the past 15 years—with poor results. After “an extensive analysis” of spending by the State agency handing out billions in grants, the San Francisco Chronicle concluded: “The predicted financial windfall has not materialized.” Only a few federally approved therapies have resulted.

Don't believe the “economic impact” numbers from the proponents of Prop. 14.

That “impact” includes:

More than \$100 million in grants to private companies headquartered in other states.

More than \$2.4 million in salary over the past decade to the *part-time* vice chairman of the board, a former California legislator who is neither a doctor nor a medical scientist.

Outrageous.

**PROP. 14 FUNDS A BUREAUCRACY WITH SERIOUS PROBLEMS**

Some have questioned “the integrity and independence” of the state agency overseeing these funds.

The Little Hoover Commission branded Robert Klein, the former chairman of the agency's board, “a lightning rod for calls for more accountability.”

The Center for Society and Genetics in Berkeley has concluded that none of the flaws in the original stem cell initiative have been addressed in Prop. 14. In fact, they conclude, the problems are even worse.

**OTHERS CAN DO THIS JOB BETTER**

The National Institute of Health provides \$1.5 billion a year in grants to fund the same type of research.

Private investors and companies, including many in California, have made great strides in using stem cells to cure diseases—using private funds, not tax dollars.

And don't be misled by the handful of grants this agency has made in recent months to researchers working on COVID-19. It's an obvious attempt—after spending billions on other priorities—to mislead voters in the middle of this pandemic.

**PROP. 14 MEANS HIGHER TAXES, LAYOFFS—OR BOTH**

Read the nearby summary, which quotes the estimate by the nonpartisan Legislative Analyst: “State costs of \$7.8 billion to pay off principal (\$5.5 billion) and interest (\$2.3 billion) on the bonds.”

Paying back Prop.14's costs of \$7.8 billion could mean huge tax increases—at a time when our economy is on its knees.

Or laying off thousands of nurses and other heroes who do the real work of keeping California healthy.

VOTE NO ON PROP. 14.

**WE CAN'T AFFORD TO WASTE BILLIONS**

**VINCENT FORTANASCE, M.D.**

**PATRICK JAMES BAGGOT, M.D.**

★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 14 ★

Nobel Prize winning medical researchers, doctors, and 70 patient advocate organizations have studied Prop. 14 and urge A YES VOTE.

- Stem Cell Research is a critical area of medical advancement that is discovering therapy breakthroughs and cures for currently incurable diseases and injuries.
- The United States National Institutes of Health (NIH) has partnered with California's Stem Cell Funding Institute to advance therapies because of California's track record of success.
- Funding research for new therapies and cures is from bonds, not a tax. Average cost to State equals less than \$5 per person annually, with no state payments until 2026, the 6th year of California's economic recovery.
- These new treatments and cures could restore health and reduce healthcare costs for Californians.
- California funding is essential; funding from Washington, DC is unpredictable and unreliable.

Opponents ignore years of the funding institute's progress, including over 2,900 medical discoveries and 92 FDA-Approved Clinical Trials, and high marks from the Citizen's Financial Accountability Oversight Committee, Chaired by California's Controller.

**ECONOMIC JOB RECOVERY STIMULUS—PROVEN HISTORY**

The University of Southern California Schaeffer Center for Health Policy & Economics issued a 2019 report validating

hundreds of millions of dollars in new revenue, \$10.7 billion in economic stimulus, and tens of thousands of new jobs, created by California's Stem Cell funding. This history demonstrates Prop. 14 will provide an Economic Job Recovery Stimulus.

**SUPPORTED BY 70 PATIENT ADVOCATE ORGANIZATIONS,**

**THE UNIVERSITY OF CALIFORNIA, AND SCIENTISTS,**

- INCLUDING:** American Association for Cancer Research • American Diabetes Association • Leukemia & Lymphoma Society • Juvenile Diabetes Research Foundation • ALS Association, Golden West Chapter • CURE—Citizens United for Research in Epilepsy • One Mind • Immune Deficiency Foundation • Beyond Type 1 • Women's Alzheimer's Movement • Alzheimer's Los Angeles • Christopher & Dana Reeve Foundation for Paralysis • Cystic Fibrosis Research, Inc. • Arthritis Foundation • Sickle Cell Disease Foundation of California • Foundation for Fighting Blindness • San Francisco AIDS Foundation.

VOTE YES ON 14. *IT COULD SAVE YOUR LIFE OR THE LIFE OF SOMEONE YOU LOVE.*

**TODD SHERER, Ph.D., CEO**

The Michael J. Fox Foundation for Parkinson's Research

**LAWRENCE GOLDSTEIN, Ph.D.,** Distinguished Professor Shiley—Marcos Alzheimer's Disease Research Center, University of California, San Diego

**TRACY GRIKSCHIT, M.D.,** Chief of Pediatric Surgery Children's Hospital Los Angeles



PROPOSITION **15** **INCREASES FUNDING SOURCES FOR PUBLIC SCHOOLS, COMMUNITY COLLEGES, AND LOCAL GOVERNMENT SERVICES BY CHANGING TAX ASSESSMENT OF COMMERCIAL AND INDUSTRIAL PROPERTY. INITIATIVE CONSTITUTIONAL AMENDMENT.**

OFFICIAL TITLE AND SUMMARY

PREPARED BY THE ATTORNEY GENERAL

15

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

- Increases funding sources for K–12 public schools, community colleges, and local governments by requiring commercial and industrial real property be taxed based on current market value, instead of purchase price.
- Exempts from taxation changes: residential properties; agricultural land; and owners of commercial and industrial properties with combined value of \$3 million or less.
- Any additional education funding will supplement existing school funding guarantees.
- Exempts small businesses from personal property tax; for other businesses, provides \$500,000 exemption.

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

- Increased property taxes on commercial properties worth more than \$3 million providing \$6.5 billion to \$11.5 billion in new funding to local governments and schools.

ANALYSIS BY THE LEGISLATIVE ANALYST

**BACKGROUND**

**Local Governments Tax Property.** California cities, counties, schools, and special districts (such as a fire protection district) collect property taxes from property owners based on the value of their property. Property taxes raise around \$65 billion each year for these local governments. Overall, about 60 percent of property taxes go to cities, counties, and special districts. The other 40 percent goes to schools and community colleges. These shares are different in different counties.

**Property Includes Land, Buildings, Machinery, and Equipment.** Property taxes apply to many kinds of property. Land and buildings are taxed. Businesses also pay property taxes on most other things they own. This includes equipment, machinery, computers, and furniture. We call these things “business equipment.”

**How Is a Property Tax Bill Calculated?** Each property owner’s annual property tax bill is equal to the taxable value of their property multiplied by their property tax rate. The typical property owner’s property tax rate is 1.1 percent.

**Taxable Value of Land and Buildings Is Based on Original Purchase Price.** In the year a piece of

land or a building is purchased, its taxable value typically is its purchase price. Each year after that, the property’s taxable value is adjusted for inflation by up to 2 percent. When a property is sold again, its taxable value is reset to its new purchase price. The taxable value of most land and buildings is less than what they could be sold for. This is because the price most properties could be sold for grows faster than 2 percent per year.

**Taxable Value of Business Equipment Is Based on How Much It Could Be Sold for.** Unlike land and buildings, business equipment is taxed based on how much it could be sold for today.

**Counties Manage the Property Tax.** County assessors determine the taxable value of property. County tax collectors bill property owners. County auditors distribute tax revenue to local governments. Statewide, counties spend about \$800 million each year on these activities.

**PROPOSAL**

**Tax Commercial and Industrial Land and Buildings Based on How Much They Could Be Sold for.** The measure requires commercial and industrial (after this referred to simply as “commercial”)

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

land and buildings to be taxed based on how much they could be sold for instead of their original purchase price. This change is put in place over time starting in 2022. The change does not start before 2025 for properties used by California businesses that meet certain rules and have 50 or fewer employees. Housing and agricultural land continues to be taxed based on its original purchase price.

**Some Lower Value Properties Not Included.**

This change does not apply if the owner has \$3 million or less worth of commercial land and buildings in California (adjusted for inflation every two years). These properties continue to be taxed based on original purchase price.

**Reduce Taxes on Business Equipment.** The measure reduces the taxable value of each business’s equipment by \$500,000 starting in 2024. Businesses with less than \$500,000 of equipment pay no taxes on those items. All property taxes on business equipment are eliminated for California businesses that meet certain rules and have 50 or fewer employees.

FISCAL EFFECTS

**Increased Taxes on Commercial Land and Buildings.**

Most owners of commercial land and buildings worth more than \$3 million would pay higher property taxes. Only some of these property owners would start to pay higher taxes in 2022. By 2025, most of these property owners would pay higher taxes. Beginning in 2025, total property taxes from commercial land and buildings probably would be \$8 billion to \$12.5 billion higher in most years. The value of commercial property can change a lot from year to year. This means the amount of increased property taxes also could change a lot from year to year.

**Decreased Taxes on Business Equipment.** Property taxes on business equipment probably would be several hundred million dollars lower each year.

**Money Set Aside to Pay Costs of the Measure.**

The measure sets aside money for various

costs created by the measure. This includes giving **several hundred million dollars per year** to counties to pay for their costs of carrying out the measure. The measure would increase the amount of work county assessors do and could require changes in how they do their work. Counties could have costs from the measure before new money is available to cover these costs. The state would loan money to counties to cover these initial costs until new property tax revenue is available.

**New Funding for Local Governments and Schools.**

Overall, \$6.5 billion to \$11.5 billion per year in new property taxes would go to local governments. 60 percent would go to cities, counties, and special districts. Each city, county, or special district’s share of the money depends on several things including the amount of new taxes paid by commercial properties in that community. Not all governments would be guaranteed new money. Some in rural areas may end up losing money because of lower taxes on business equipment. The other 40 percent would increase funding for schools and community colleges. Each school or community college’s share of the money is mostly based on how many students they have.

Visit <http://cal-access.sos.ca.gov/campaign/measures/> for a list of committees primarily formed to support or oppose this measure.

Visit <http://www.fppc.ca.gov/transparency/top-contributors.html> to access the committee’s top 10 contributors.

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

★ ARGUMENT IN FAVOR OF PROPOSITION 15 ★

We are all better off when everyone pays their fair share. But California is giving away billions of dollars in property tax breaks to wealthy corporations. These billions could be used instead to deal with increasing inequality, persistent poverty, unemployment, unaffordable housing, homelessness and underfunded schools.

While the wealthiest corporations avoid paying their fair share, our schools have the most crowded classrooms in the nation and our local communities are struggling to respond to the impact of COVID-19.

Prop. 15 is a fair and balanced reform which:

- closes property tax loopholes benefiting wealthy corporations
- cuts small business taxes
- reclaims billions of dollars to invest in our schools and local communities.

Prop. 15 will:

*Close corporate loopholes:* Wealthy corporations avoid reassessment by employing highly paid tax lawyers and accountants to exploit loopholes in the law. Prop. 15 closes these loopholes by requiring nonresidential commercial properties to be assessed based on their actual fair market value.

- The top 10% of California’s most valuable nonresidential commercial properties account for 92% of Prop. 15’s new revenues.

*Does not impact homeowners and renters:* Prop. 15 exempts all residential properties, maintaining FULL PROP. 13 PROTECTIONS for homeowners and renters.

*Cut taxes for small businesses:* Prop. 15 protects small businesses and cuts their taxes by:

- Exempting businesses operated out of a home and businesses owning \$3,000,000 or less of nonresidential commercial property
- Cutting business personal property taxes on equipment, computers and fixtures.

*Restore balance to the property tax:* Since Prop. 13 passed, the residential share of property taxes has skyrocketed from 55% to 72% and the nonresidential commercial share has

fallen. Meanwhile we’re paying more in fees, fines and other taxes.

Prop. 15 rebalances the scales.

*Increase funding for schools and community colleges:* Every school district and community college will receive additional funding over and above existing funding guarantees. Prop. 15 funds go directly to education and state politicians can’t take it away.

*Invest in essential workers and local services:* Prop. 15 gives local communities desperately needed resources so essential services and frontline workers can respond to current challenges and prepare for future crises, whether from a wildfire, pandemic, or earthquake.

*Support economic and racial equity:* Prop. 15 makes sure schools with the greatest needs get the most help and gives local communities critically needed resources to deal with the unequal impacts of COVID-19, unemployment, and housing costs on communities of color.

*Prioritize full transparency and accountability* by requiring schools and local governments to publicly disclose all new revenues they receive and how they are spent.

*Protect agricultural land:* Prop. 15 makes no change to existing laws affecting the taxation or preservation of agricultural land.

We can’t afford business as usual. Prop. 15 rebalances the scales by closing loopholes and supporting our schools, local communities and small businesses.

Prop. 15 takes a big step forward toward a better future for all Californians. It was placed on the ballot by the signatures of over 1,700,000 voters who want wealthy corporations to pay their fair share.

Please add your voice to theirs: Vote Yes on Prop. 15.

**TONY THURMOND**, California Superintendent of Public Instruction

**JACQUELINE MARTINEZ**, CEO  
Latino Community Foundation

**SASHA CUTTLER**, Public Health Nurse  
San Francisco Department of Public Health

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 15 ★

PROP. 15: ALL CALIFORNIANS WILL PAY FOR THE LARGEST PROPERTY TAX INCREASE IN STATE HISTORY!

REPEALS PROP. 13 PROTECTIONS

Prop 13 limits property tax increases to 2% annually, providing certainty to homeowners and small businesses that they can afford their taxes in the future. Supporters of Prop 15 admit they’ll go after Prop 13 protections for homes next - meaning skyrocketing taxes for all homeowners!

PROP. 15: RAISES OUR COST OF LIVING AND MAKES INCOME INEQUALITY WORSE

Billions in higher taxes will be passed on to California’s small businesses in the form of higher rents, forcing businesses that are barely surviving now to lay off employees and raise prices. Higher costs for food and everyday necessities will hit all of us and low-income families hardest. We can’t afford to raise our cost of living.

PROP. 15: DOESN’T SOLVE OUR CURRENT BUDGET CRISIS

Prop. 15 will not solve today’s budget deficits. The nonpartisan Legislative Analyst says most funding won’t arrive until 2025. Additionally, the California Assessors’ Association says Prop. 15 will cost more than \$1 billion to implement, meaning deeper cuts to already stretched local government budgets.

PROP. 15: MISLEADING AND LACKS ACCOUNTABILITY

Prop. 15’s supporters say it’s about more money for education, but nearly 70% of the tax money doesn’t even go to schools. Politicians can even divert the local government tax money for other purposes, just like they’re doing with the gas tax.

NO ON PROP. 15. [www.NOonProp15.org](http://www.NOonProp15.org)

**JON COUPAL**, President  
Howard Jarvis Taxpayers Association

**ALICE HUFFMAN**, President  
California State Conference of the NAACP

**BETTY JO TOCCOLI**, President  
California Small Business Association



★ ARGUMENT AGAINST PROPOSITION 15 ★

PROP. 15 WILL BE THE LARGEST ANNUAL PROPERTY TAX INCREASE IN CALIFORNIA HISTORY—UP TO \$12.5 BILLION PER YEAR!

Prop. 15's massive increase in annual property taxes will have disastrous economic impacts for every Californian—from small businesses and consumers to farmers and homeowners.

PROP. 15 REPEALS TAXPAYER PROTECTIONS IN PROP. 13

Prop. 13's taxpayer protections have kept property taxes affordable by capping property taxes and limiting increases annually, providing taxpayers certainty they can afford their property taxes now and into the future. Prop. 15 eliminates that certainty for millions of taxpayers.

- “Prop. 15 is a direct threat to homeowners. Supporters of the tax hike openly admitted that this is merely the first step in completely dismantling Prop. 13 which voters approved to stop skyrocketing property taxes.”—*Jon Coupal, President, Howard Jarvis Taxpayers Association*

PROP. 15 RAISES OUR COST OF LIVING

Prop. 15's tax hike will increase costs on everything people buy, including groceries, fuel, utilities, day care and health care.

- “Too many families have been priced out of their neighborhoods because of the rising cost of living. Prop. 15 will raise the cost of living for California families by up to \$960 and will especially hurt lower-income communities.”—*Alice Huffman, President, California State Conference of the NAACP*

PROP. 15 DESTROYS JOBS AND SMALL BUSINESSES

Seven million Californians work for a small business. Millions of Californians are filing for unemployment and are at risk of losing everything. NOTHING in Prop. 15 stops the tax from being passed on to small business tenants. Prop. 15 will make the economic crisis worse by devastating small businesses—

including our neighborhood restaurants, barbershops, and dry cleaners.

- “Most small businesses rent the property on which they operate. Prop. 15's higher property taxes will mean skyrocketing rents at a time we can least afford it.”

—*Jot Condie, President, California Restaurant Association*

PROP. 15 RAISES TAXES FOR FAMILY FARMERS, RESULTING IN HIGHER COSTS FOR FOOD

Prop. 15 will raise property taxes on farming—including barns, dairies, processing plants and even fruit and nut trees.

- “Prop. 15 hurts family farmers and we all will end up paying higher costs for groceries including milk, eggs and meat.”—*Jamie Johansson, President, California Farm Bureau Federation*

PROP. 15 LACKS ACCOUNTABILITY

Prop. 15 will cost taxpayers \$1 billion each year in bureaucratic expenses, and politicians can spend the higher property tax revenue on anything they want, including administrative costs, outside consultants and pay raises.

- “Prop. 15 allows politicians to divert its tax hike revenue to anything the special interests want, just like they're doing with the gas tax.”—*Marilyn Markham, Board Member, California Senior Advocates League*

INDEPENDENTS, DEMOCRATS AND REPUBLICANS

AGREE—NO ON PROP. 15.

NOW IS NOT THE TIME TO RAISE PROPERTY TAXES IN CALIFORNIA.

**ROBERT GUTIERREZ**, President  
California Taxpayers Association

**ALICE HUFFMAN**, President  
California State Conference of the NAACP

**BETTY JO TOCCOLI**, President  
California Small Business Association

★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 15 ★

Prop. 15 is a fair and balanced reform which: - Closes property tax loopholes benefiting wealthy corporations - Cuts small business taxes - Does not impact homeowners and renters - Reclaims billions of dollars for schools and local communities

California must take these steps right now to secure a better future for us all.

Wealthy owners of the MOST EXPENSIVE 10% OF BUSINESS PROPERTIES account for 92% of Prop. 15's revenues.

Prop. 15 supporters: teachers, nurses, small business owners, clergy, affordable housing advocates, and community organizations who want to close corporate tax loopholes and rebalance the scales.

Prop. 15 opponents: wealthy corporations and out-of-state investors trying to keep their tax breaks by using scare tactics to confuse the issue.

Read the measure for yourself and remember, Prop. 15:

- Maintains FULL PROP. 13 PROTECTIONS for homeowners and renters.
- CUTS small business taxes AND specifically exempts all home-based businesses AND exempts small

businesses owning \$3,000,000 or less in business property.

- Guarantees transparency and accountability by requiring full public disclosure of all new revenues and how they're spent.

- Keeps Prop. 13's low 1% limit, so California's business property taxes will still be below most states.

Learn more at [scaretactics15.org](http://scaretactics15.org).

As we rebuild from the COVID-19 shut down and prepare for challenges ahead, business as usual won't do. It's time we invest in small businesses, students, healthy families, and safe neighborhoods.

Prop. 15 is a balanced reform that closes corporate loopholes benefiting the top 10% and restores billions to our schools and communities—Vote Yes on Prop. 15.

**E. TOBY BOYD**, President  
California Teachers Association

**CAROL MOON GOLDBERG**, President  
League of Women Voters

**TARA LYNN GRAY**, CEO  
Fresno Metro Black Chamber of Commerce

PROPOSITION  
**16** **ALLOWS DIVERSITY AS A FACTOR IN PUBLIC EMPLOYMENT,  
EDUCATION, AND CONTRACTING DECISIONS.  
LEGISLATIVE 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 [voterguide.sos.ca.gov](http://voterguide.sos.ca.gov).

16

- Permits government decision-making policies to consider race, sex, color, ethnicity, or national origin to address diversity by repealing article I, section 31, of the California Constitution, which was added by Proposition 209 in 1996.
- Proposition 209 generally prohibits state and local governments from discriminating against, or granting preferential treatment to, individuals or groups on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, education, or contracting.
- Does not alter other state and federal laws guaranteeing equal protection and prohibiting unlawful discrimination.

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

- No direct fiscal effect on state and local entities because the measure does not require any change to current policies or programs.
- Possible fiscal effects would depend on future choices by state and local entities to implement policies or programs that consider race, sex, color, ethnicity, or national origin in public education, public employment, and public contracting. These fiscal effects are highly uncertain.

FINAL VOTES CAST BY THE LEGISLATURE ON ACA 5 (PROPOSITION 16)  
(RESOLUTION CHAPTER 23, STATUTES OF 2020)

Senate:	Ayes 30	Noes 10
Assembly:	Ayes 60	Noes 14

**ANALYSIS BY THE LEGISLATIVE ANALYST**

**BACKGROUND**

***State and Federal Constitutions Require Equal Protection.***

The state and federal constitutions provide all people equal protection, which generally means that people in similar situations are treated similarly under the law.

***In 1996, California Voters Banned Consideration of Race, Sex, Color, Ethnicity, or National Origin in Public Programs.*** In 1996, California voters approved Proposition 209, adding a new section to the State Constitution—Section 31 of Article I. The new section generally banned the consideration of race, sex, color, ethnicity, or national origin in public employment, public education, and public contracting in California.

***There Are Some Exceptions to Proposition 209.*** State and local entities can consider sex when it is necessary as part of normal operations. For example, the state can consider the sex of an employee when staffing specific jobs at state prisons where it is

necessary for staff and inmates be the same sex. Additionally, state and local entities may consider specified characteristics when it is required to receive federal funding. For example, the state is required to set goals for the portion of contracts awarded to certain groups for federally funded transportation projects, like businesses owned by women and people of color.

***Proposition 209 Affected Certain Public Policies and Programs.*** Before Proposition 209, state and local entities had policies and programs intended to increase opportunities and representation for people who faced inequalities as a result of their race, sex, color, ethnicity, or national origin. These types of programs often are called “affirmative action” programs. For example, some of the state’s public universities considered race and ethnicity as factors when making admissions decisions and offered programs to support the academic achievement of those students. State and local entities had

**ANALYSIS BY THE LEGISLATIVE ANALYST**

CONTINUED

employment and recruitment policies intended to increase the hiring of people of color and women. The state also established programs to increase the participation of women-owned and minority-owned businesses in public contracts. The state set goals for the portion of state contracts that were awarded to those types of businesses. After voters approved Proposition 209, these policies and programs were discontinued or modified unless they qualified for one of the exceptions.

**Federal Law Allows Policies and Programs That Consider Certain Characteristics, Within Limits.** Before Proposition 209, state and local policies and programs that considered race, sex, color, ethnicity, or national origin still had to comply with federal law. Federal law establishes a right to equal protection and as a result limits the use of these considerations. For example, under federal law, universities may consider these characteristics as one of several factors when making admission decisions in an effort to make their campuses more diverse. To ensure compliance with federal law, these policies and programs must meet certain conditions that limit the consideration of these characteristics. These conditions are intended to prevent discrimination that violates equal protection. State law also has a number of antidiscrimination provisions that are similar to those in federal law.

**Policies and Programs Created or Modified After Proposition 209.** After voters approved Proposition 209, some public entities in California created or modified policies and programs to instead consider characteristics not banned by Proposition 209. For example, many of the state’s universities provide outreach and support programs for students who are first in their family to attend college. Many university campuses also consider where students attended high school and where they live when making admissions decisions. The universities view these policies and programs as ways to increase diversity without violating Proposition 209.

**PROPOSAL**

**Eliminates Ban on the Consideration of Certain Characteristics in Public Education, Public Employment, and Public Contracting.** If approved, the measure would repeal Proposition 209—Section 31 of Article I of

the California Constitution. This would eliminate the ban on the consideration of race, sex, color, ethnicity, or national origin in public education, public employment, and public contracting. As a result, state and local entities could establish a wider range of policies and programs so long as they are consistent with federal and state law related to equal protection.

**FISCAL EFFECTS**

**No Direct Fiscal Effects on Public Entities.** The measure would have no direct fiscal effect on state and local entities because the measure would not require any change to current policies or programs. Instead, any fiscal effects would depend on future choices by state and local entities to implement policies or programs that consider race, sex, color, ethnicity, or national origin in public education, public employment, and public contracting.

**Potential Fiscal Effects of Implementing Programs Highly Uncertain.** State and local entities could make any number of decisions about policies and programs that consider race, sex, color, ethnicity, or national origin. Because the specific choices state and local entities would make if voters approved this measure are unknown, the potential fiscal effects are highly uncertain.

Visit <http://cal-access.sos.ca.gov/campaign/measures/> for a list of committees primarily formed to support or oppose this measure.

Visit <http://www.fppc.ca.gov/transparency/top-contributors.html> to access the committee’s top 10 contributors.

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

★ ARGUMENT IN FAVOR OF PROPOSITION 16 ★

16

YES on Prop. 16 means EQUAL OPPORTUNITY FOR ALL CALIFORNIANS.

All of us deserve equal opportunities to thrive with fair wages, good jobs, and quality schools.

Despite living in the most diverse state in the nation, white men are still overrepresented in positions of wealth and power in California. Although women, and especially women of color, are on the front lines of the COVID-19 response, they are not rewarded for their sacrifices.

Women should have the same chance of success as men.

Today, nearly all public contracts, and the jobs that go with them, go to large companies run by older white men. White women make 80¢ on the dollar. The wage disparity is even worse for women of color and single moms. As a result, an elite few are able to hoard wealth instead of investing it back into communities. Prop. 16 opens up contracting opportunities for women and people of color.

We know that small businesses are the backbone of our economy. Yet, Main Street businesses owned by women and people of color lose over \$1,100,000,000 in government contracts every year because of the current law. We need to support those small businesses, especially as we rebuild from COVID-19. Wealth will be invested back into our communities.

YES on Prop. 16 helps rebuild California stronger with fair opportunities for all.

YES on Prop. 16 means:

- Supporting women and women of color who serve disproportionately as essential caregivers/frontline workers during COVID-19
- Expanding access to solid wages, good jobs, and quality schools for all Californians, regardless of gender, race, or ethnicity
- Creating opportunities for women and people of color to receive public contracts that should be available to all of us

- Improving access to quality education, both K–12 schools and higher education, for all of California’s kids
- Taking action to prevent discrimination and ensure equal opportunity for all
- Rebuilding an economy that treats everyone equally
- Investing wealth back into our communities as opposed to continuing to allow the rich to get richer
- Strong anti-discrimination laws remain in effect
- Quotas are still prohibited

We live in the middle of an incredible historic moment. In 2020, we have seen an unprecedented number of Californians take action against systemic racism and voice their support for real change.

At the same time, our shared values are under attack by the Trump administration’s policies. We are seeing the rise of overt racism: white supremacists on the march, the daily demonization of Latino immigrants, Black people gunned-down in our streets, anti-Asian hate crimes on the rise, women’s rights under attack, and COVID-19 ravaging Native communities.

By voting YES on Prop. 16, Californians can take action to push back against the Trump administration’s racist agenda.

By voting YES on Prop. 16, Californians can take action to push back against racism and sexism and create a more just and fair state for all.

Equal opportunity matters. Yes on Prop. 16.

[VoteYesOnProp16.org](http://VoteYesOnProp16.org)

**CAROL MOON GOLDBERG**, President  
League of Women Voters of California

**THOMAS A. SAENZ**, President  
Mexican American Legal Defense and Educational Fund

**EVA PATERSON**, President  
Equal Justice Society

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 16 ★

**TOM CAMPBELL**: “This proposition will allow California’s public universities to keep students out because of their race, in order to help students of another race get in. That’s currently illegal. Berkeley’s business school was rated among the best for recruiting minority graduates, and we did it without using race. We also gave no favoritism to children of donors, alums, or politicians. We were strictly merit-based. That’s how it should stay. (I’m neither a Democrat nor a Republican.)”

**LEO TERRELL**: “I’m a black man, civil rights attorney for 30 years, lifelong Democrat, now independent. Proposition 16 is a scam to use government money to benefit politically connected HIGH-BID contractors who are supposedly ‘minority’ or who hire a so-called ‘minority’ as window dressing. Taxpayers get shafted. Also, we certainly don’t need to favor one race over another in government jobs, promotions, or layoffs. And for education, let’s help those who need it, regardless of race!”

**KALI FONTANILLA**: “My father was a Jamaican immigrant, but I was raised in poverty by my single mother. My husband is Mexican/Puerto Rican: we are proudly multiracial. An honors multi-degreed University of California graduate, I tutored black students in Compton; now I help Latinos enter UC on MERIT (like I did), NOT quotas! Proposition 16, a giant step backward, would hurt the very students we want to help. There is no need to lower standards! I love teaching, but Proposition 16 would totally disrupt K–12.”

*Don’t divide us. Unite us. Vote NO!*

**TOM CAMPBELL**, Former Dean  
Haas School of Business, University of California, Berkeley

**LEO TERRELL**, Civil Rights Lawyer

**KALI FONTANILLA**, Public School Teacher



★ ARGUMENT AGAINST PROPOSITION 16 ★

The California Legislature wants you to strike these precious words from our state Constitution: *“The state shall not discriminate against, or grant preferential treatment to, any individual or group, on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education, or public contracting.”*

*Don't do it! Vote NO.*

Those words—adopted by California voters in 1996 as Proposition 209—should remain firmly in place. Only by treating everyone equally can a state as brilliantly diverse as California be fair to everyone.

**REPEAL WOULD BE A STEP BACKWARD**

Discrimination of this kind is poisonous. It will divide us at a time we desperately need to unite. Politicians want to give preferential treatment to their favorites. They think they can “fix” past discrimination against racial minorities and women by discriminating against other racial minorities and men who are innocent of any wrongdoing. Punishing innocent people will only cause a never-ending cycle of resentment. *The only way to stop discrimination is to stop discriminating.*

**HELP THOSE WHO REALLY NEED IT**

Not every Asian American or white is advantaged. Not every Latino or black is disadvantaged. Our state has successful men and women of all races and ethnicities. Let's not perpetuate the stereotype that minorities and women can't make it unless they get special preferences.

At the same time, our state also has men and women—of all races and ethnicities—who could use a little extra break. Current law allows for “affirmative action” of this kind so long as it doesn't discriminate or give preferential treatment based on race, sex, color, ethnicity or national origin. For example, state universities can give a leg-up for students from low-income families or

students who would be the first in their family to attend college. The state can help small businesses started by low-income individuals or favor low-income individuals for job opportunities.

But if these words are stricken from our state Constitution, the University of California will again be free to give a wealthy lawyer's son a preference for admission over a farmworker's daughter simply because he's from an “under-represented” group. *That's unjust.*

**GIVE TAXPAYERS A BREAK**

Prior to the passage of Proposition 209, California and many local governments maintained costly bureaucracies that required preferential treatment in public contracting based on a business owner's race, sex or ethnicity. The lowest qualified bidder could be rejected. A careful, peer-reviewed study by a University of California economist found that CalTrans contracts governed by Proposition 209 saved 5.6% over non-209 contracts in the two-year period after it took effect. If the savings for other government contracts are anywhere near that, repealing this constitutional provision could cost taxpayers *many BILLIONS of dollars.*

**EQUAL RIGHTS ARE FUNDAMENTAL**

Prohibiting preferential treatment based on race, sex, color, ethnicity or national origin is a fundamental part of the American creed. It's there in our Constitution for all of us . . . now and for future generations. *Don't throw it away.*

VOTE NO.

**WARD CONNERLY**, President  
Californians for Equal Rights

**GAIL HERIOT**, Professor of Law

**BETTY TOM CHU**, Former California Constitution Revision  
Commissioner

**16**

★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 16 ★

*Stand for Our California Values. Stand Against Discrimination.*

Californians agree everyone deserves equal opportunity to succeed—regardless of their gender, what they look like, or where they were born. We agree that women should be paid the same as men; that all children, regardless of their background or skin color, deserve access to a great school.

The opposition uses deceptive language to claim that they care about California's future. In fact, their approach would take us backwards.

Businesses owned by women and people of color lose \$1.1 billion each year because lucrative contracts are given to a wealthy few. Women make 80 cents on the dollar, and women of color make even less.

The only way to move California forward is to pass Proposition 16—extending equal opportunity for all and actively combating systemic racism.

*By passing Proposition 16, Californians can:*

- Tackle all forms of discrimination, removing barriers to equal opportunity

- Fight gender wage discrimination
- Give women of color an equal shot at job promotions and leadership positions
- Expand career and educational opportunities in science and technology for girls

*California can join 42 other states in taking action towards equal opportunity for all by voting Yes on Proposition 16.*

As Californians, we value diversity and fairness, we know that ending discrimination and promoting equality is the right thing to do.

During this uncertain time of COVID-19, we can build a future California that reflects our values by *voting YES on Proposition 16.*

*Get the facts at [VoteYesOnProp16.org](http://VoteYesOnProp16.org)*

**E. TOBY BOYD**, President  
California Teachers Association

**NORMA CHAVEZ-PETERSON**, Executive Director  
ACLU of San Diego and Imperial Counties

**DR. BERNICE A. KING**, CEO  
The Martin Luther King, Jr. Center

PROPOSITION **RESTORES RIGHT TO VOTE AFTER COMPLETION OF PRISON TERM.**  
**17** **LEGISLATIVE 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 [voterguide.sos.ca.gov](http://voterguide.sos.ca.gov).

- Amends state constitution to restore voting rights to persons who have been disqualified from voting while serving a prison term as soon as they complete their prison term.
- Increased one-time state costs, likely in the hundreds of thousands of dollars, to update voter registration cards and systems.

17

**SUMMARY OF LEGISLATIVE ANALYST'S ESTIMATE OF NET STATE AND LOCAL GOVERNMENT**

**FISCAL IMPACT:**

- Increased annual county costs, likely in the hundreds of thousands of dollars statewide, for voter registration and ballot materials.

FINAL VOTES CAST BY THE LEGISLATURE ON ACA 6 (PROPOSITION 17)  
(RESOLUTION CHAPTER 24, STATUTES OF 2020)

Senate:	Ayes 28	Noes 9
Assembly:	Ayes 54	Noes 19

**ANALYSIS BY THE LEGISLATIVE ANALYST**

**BACKGROUND**

***People in Prison or on Parole Are Not Allowed to Vote.*** The State Constitution allows most U.S. citizens who are residents of California and at least 18 years of age to vote, if they register to vote. (Under current state law, people who are registered to vote are also allowed to run for elective offices they are qualified for.) People eligible to register to vote include those who are in county jail or supervised by county probation in the community. However, the State Constitution prevents some

people from registering to vote, including those in state prison or on state parole. (People are generally supervised in the community on state parole for a period of time after they serve a state prison term for a serious or violent crime. Currently, there are roughly 50,000 people on state parole.)

***County and State Agencies Have Voting-Related Workload.*** County election officials manage most elections in California. As part of this work, these officials keep lists of registered voters and cancel the registration of anyone

**ANALYSIS BY THE LEGISLATIVE ANALYST**

CONTINUED

not allowed to vote—including anyone in state prison or on state parole. In addition, these officials provide ballot materials to registered voters. Some state agencies also have voting-related workload. For example, the Secretary of State provides voter registration cards and operates an electronic voter registration system.

**PROPOSAL**

***Allows People on State Parole to Register to Vote.*** Proposition 17 changes the State Constitution to allow people on state parole to register to vote, thereby allowing them to vote. (Because current state law allows registered voters to run for elective offices, this measure would result in people on state parole being able to do so as well, if they meet existing qualifications such as not having been convicted of perjury or bribery.)

**FISCAL EFFECTS**

***Increased Ongoing County Costs.*** Proposition 17 would increase the number of people who can register to vote and vote in elections. This would increase ongoing workload for county election officials in two main ways. First, election officials would have to process the voter registrations of people on state parole who register to vote. Second, election officials would have to send

ballot materials to people on state parole who register to vote. We estimate that the **annual county costs for this workload would likely be in the hundreds of thousands of dollars statewide.** The actual cost would depend on the number of people on state parole who choose to register to vote and the specific costs of providing them ballot materials during an election.

***Increased One-Time State Costs.***

Proposition 17 would create one-time workload for the state to update voter registration cards and systems to reflect that people on state parole could register to vote. We estimate that this workload would result in **one-time state costs likely in the hundreds of thousands of dollars.** This amount is less than 1 percent of the state's current General Fund budget.

Visit <http://cal-access.sos.ca.gov/campaign/measures/> for a list of committees primarily formed to support or oppose this measure.

Visit <http://www.fppc.ca.gov/transparency/top-contributors.html> to access the committee's top 10 contributors.

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

★ ARGUMENT IN FAVOR OF PROPOSITION 17 ★

VOTE YES ON PROPOSITION 17

Proposition 17 is simple—it restores a person’s right to vote upon completion of their prison term.

- When a person completes their prison sentence, they should be encouraged to reenter society and have a stake in their community. Restoring their voting rights does that. Civic engagement is connected to lower rates of recidivism. When people feel that they are valued members of their community, they are less likely to return to prison.
- 19 other states allow people to vote once they have successfully completed their prison sentence. It’s time for California to do the same.
- A Florida study found that people who have completed their prison sentences and had their voting rights restored were less likely to commit crimes in the future.
- Nearly 50,000 Californians who have completed their prison sentences pay taxes at the local, state, and federal levels. However, they are not able to vote at any level of government.

PROP. 17 WILL HAVE REAL LIFE IMPACTS—STORIES FROM CALIFORNIANS WHO HAVE COMPLETED THEIR SENTENCES

After a parole board granted Richard his freedom, he was shocked to learn that he still could not cast a vote in California. Over the last 20 years, Richard has become what he describes as “a man built for others”—helping develop a drug and alcohol counseling program while still in prison and advocating for better criminal justice

policies. “I work hard, serve my community, pay taxes, give back, and I am still a citizen of this country,” Richard said. “I believe that qualifies me to have the right to vote again.”

Andrew is a Navy veteran who served his country but developed a drinking problem and made big mistakes that led to prison. He earned parole by working toward his rehabilitation, and now that his prison sentence is completed, he’s building a new life as a veteran learning to contribute to his community. Andrew says, “I believe in working hard for what you get in life, and I believe that I’ve earned the right to vote so I can be a full member of my community.”

YES ON PROPOSITION 17

Parole is intended to be a period of reintegration into the community. People on parole who have completed their prison sentences raise families, hold jobs, pay taxes, and contribute to society in every other way. Restoring a person’s voting eligibility removes stigma and helps strengthen their connection to the community.

*Yeson17.vote #FreeTheVote*

**CAROL MOON GOLDBERG**, President  
League of Women Voters of California

**JAY JORDAN**, Executive Director  
Californians for Safety and Justice

**KEVIN MCCARTY**, Assemblymember  
Prop. 17 Author

17

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 17 ★

Proponents claim that Proposition 17 will restore a convicted felon’s voting rights “upon completion of their prison sentence.” THIS IS FALSE.

THE TRUTH: In California, parole is a legally part of the prison sentence, and a convicted felon must successfully complete parole upon release from incarceration in order to have served their sentence and have their voting rights restored. *Proposition 17 will eliminate this critical requirement.*

Proponents do not tell you that 30 states require more than the completion of prison incarceration, *before a felon’s voting rights are restored.* Most require the completion of parole while some require the addition of executive action.

While proponents highlight two stories about released criminals, “Richard” and “Andrew,” they don’t share with you their criminal histories—as if burglars, armed robbers, murderers and child molesters are all the same. *Nothing could be further from the truth.*

THE TRUTH: For every “Richard” or “Andrew” there is a “Robert” or “Scott” who commits a violent felony while

on parole. Proposition 17 restores voting rights before felons complete this critical parole sentence.

Parole is the adjustment period when violent felons prove they are no longer a violent threat to innocent citizens living in a civil society. Their every move is monitored and supervised by a trained state officer.

BOTTOM LINE: PROPOSITION 17 WILL ALLOW CRIMINALS CONVICTED OF MURDER, RAPE, CHILD MOLESTATION, AND OTHER SERIOUS AND VIOLENT CRIMES TO VOTE BEFORE COMPLETING THEIR SENTENCE INCLUDING PAROLE.

*Proposition 17 is not justice.* VOTE NO ON PROPOSITION 17

**HARRIET SALARNO**, Founder  
Crime Victims United of California

**JIM NIELSEN**, California State Senator

**RUTH WEISS**, Vice President  
Election Integrity Project California



★ ARGUMENT AGAINST PROPOSITION 17 ★

PROPOSITION 17 WILL ALLOW CRIMINALS CONVICTED OF MURDER, RAPE, SEXUAL ABUSE AGAINST CHILDREN, KIDNAPPING, ASSAULT, GANG GUN CRIMES AND HUMAN TRAFFICKING TO VOTE BEFORE COMPLETING THEIR SENTENCE INCLUDING PAROLE.

In 1974, California voters approved restoring the right to vote to convicted felons once they have completed their sentences (including parole). More recently, California's prison reform measures have moved all but the most vicious criminals out of prisons and into local jails. People convicted of nonviolent felonies like car theft or drug dealing are incarcerated in county jails *and have the right to vote while serving their sentence*. For them there is no parole.

PAROLE IN CALIFORNIA IS FOR SERIOUS AND VIOLENT CRIMINALS.

Criminals in prison have been convicted of murder or manslaughter, robbery, rape, child molestation or other serious and violent crimes and sex offenses. They have victimized innocent, law-abiding citizens who are condemned for life to revisit those crimes in every nightmare. Certain sounds, smells and everyday experiences will always return them mentally and emotionally to the scene of the crime, and for them there is no end to their sentence. Knowing that their victimizers would have social equality with them before they have been fully rehabilitated simply adds to their lifelong pain and misery.

PAROLE IS TO PROVE REHABILITATION BEFORE FULL LIBERTY, INCLUDING VOTING RIGHTS, IS RESTORED.

Offenders released from PRISON after serving a term for a serious or violent felony are required to complete parole (usually three years) as part of their sentences. Parole is an adjustment period when violent felons prove their desire to adjust to behaving properly in a free

society. Their every move is monitored and supervised by a trained state officer. *If the state does not trust them to choose where to live or travel, with whom to associate and what jobs to do, it MUST NOT trust them with decisions that will impact the lives and finances of all other members of society.*

MOST PAROLEES STUMBLE AND 50% ARE CONVICTED OF NEW CRIMES.

*Unfortunately, about half of parolees commit new crimes within three years of release.* Clearly, they are not ready to join the society of law-abiding citizens. Rewards and privileges in life must be earned and deserved. Giving violent criminals the right to vote before they have successfully completed their full sentence, which INCLUDES A PERIOD OF PAROLE, is like giving students a high school diploma at the end of tenth grade. It makes no sense, and hurts their future and all of society.

JUSTICE DEMANDS A NO VOTE ON PROPOSITION 17. Crime victims deserve justice. Granting violent criminals the right to vote before the completion of their sentence is not justice. Offenders deserve justice as well. Their self-respect depends upon knowing that they have made full restitution for their crimes and have earned a second chance. Californians deserve a justice system where offenders pay for their crimes, prove their rehabilitation, and only then are welcomed back into civil society. Proposition 17 is NOT justice.

VOTE NO ON PROPOSITION 17

**HARRIET SALARNO**, Founder  
 Crime Victims United of California

**JIM NIELSEN**, Chairman  
 California Board of Prison Terms (Ret.)

**RUTH WEISS**, Vice President  
 Election Integrity Project California

17

★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 17 ★

VOTE YES ON PROP. 17

PROP. 17 opponents are using scare tactics to try and stop you from fixing a nearly 50-year-old, out-of-date voting policy.

THE FACTS:

- Prop. 17 will simply restore a citizen's right to vote upon completion of their prison term aligning California with 19 other states that already do the same.
- After a similar law was changed in Florida, a parole commission study found that citizens who have completed their prison sentences and had their voting rights restored *were less likely to commit crimes in the future.*
- Parole is intended to be a period of reintegration into the community. Citizens on parole who have completed their prison sentences raise families, hold jobs, pay taxes, and contribute to society in every other way.
- Nearly 50,000 Californians who have completed their prison sentences pay taxes at the local, state and

federal levels and yet, are not able to vote at any level of government.

DON'T BELIEVE OPPONENTS AND THEIR SCARE TACTICS. DEMOCRATS AND REPUBLICANS SUPPORT PROP. 17

- More than two thirds of the state legislature—Democrats and Republicans, supported asking California voters to consider Prop. 17.
- Prop. 17 does nothing to change anyone's prison term including those convicted of serious and violent crimes. VOTE YES ON PROP. 17!

**CAROL MOON GOLDBERG**, President  
 League of Women Voters of California

**JAY JORDAN**, Executive Director  
 Californians for Safety and Justice

**ABDI SOLTANI**, Executive Director  
 American Civil Liberties Union (ACLU)—Northern California

PROPOSITION  
**18** AMENDS CALIFORNIA CONSTITUTION TO PERMIT 17-YEAR-OLDS TO VOTE IN PRIMARY AND SPECIAL ELECTIONS IF THEY WILL TURN 18 BY THE NEXT GENERAL ELECTION AND BE OTHERWISE ELIGIBLE TO VOTE. LEGISLATIVE 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 [voterguide.sos.ca.gov](http://voterguide.sos.ca.gov).

- The California Constitution currently permits individuals who are at least 18 years old on the date of an election to vote in that election.
- Amends constitution to permit 17-year-olds who will be at least 18 years old and otherwise eligible to vote at the time of the next general election to vote in any primary or special election that occurs before the next general election.

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

- Increased costs for counties, likely between several hundreds of thousands of dollars and \$1 million every two years, to send and process voting materials to eligible registered 17-year-olds.
- Increased one-time costs to the state in the hundreds of thousands of dollars to update existing voter registration systems.

18

FINAL VOTES CAST BY THE LEGISLATURE ON ACA 4 (PROPOSITION 18)  
(RESOLUTION CHAPTER 30, STATUTES OF 2020)

Senate:	Ayes 31	Noes 7
Assembly:	Ayes 56	Noes 13

ANALYSIS BY THE LEGISLATIVE ANALYST

**BACKGROUND**

**Elections in California.** In even-numbered years, California holds two statewide elections—the primary and the general elections. At each of these elections voters (1) either nominate or elect candidates to state and federal offices and (2) consider statewide ballot measures. At the primary election, which is held in the spring, voters determine which candidates will compete for elective office at the general election. At the general election in November, voters determine who wins elective offices. Statewide ballot measures can be considered in both the primary and general elections. Outside of this two-year cycle, the Governor

may call a special election to fill vacancies in state elective offices or vacancies in the U.S. House of Representatives. In addition to state elections, local governments hold elections for voters to elect local office holders and to consider local ballot measures. Typically, local elections occur at the same time as state elections.

**Election Administration in California.** County election officials administer the vast majority of elections in California. As part of this work, these officials keep lists of registered voters and provide voting materials to registered voters, such as ballots and other voter information. Some state agencies also have voting-related responsibilities.

**ANALYSIS BY THE LEGISLATIVE ANALYST**

CONTINUED

For example, the Secretary of State oversees elections, which includes providing voter registration cards and operating an electronic voter registration system.

**Right to Vote in California.** A person generally may register and vote in California if the person is a U.S. citizen who is at least 18 years old and a resident of the state. State law prohibits some people from voting, including those who are in prison or on parole. (Under current law, people who are registered to vote can run for elective offices so long as they meet all other existing eligibility requirements.)

**Pre-Registration to Vote in California.** A person generally may pre-register to vote in California if the person is a U.S. citizen and is either 16 or 17 years old. (State law prohibits some people from pre-registering to vote, including those who are in prison or on parole.) When a person is pre-registered to vote, they automatically become registered to vote when they turn 18 years old. As of June 29, 2020, there are about 108,000 17-year-olds pre-registered to vote in California.

**PROPOSAL**

**Allows Some 17 Year Old Citizens to Vote.** The measure would allow eligible 17-year-olds who will be 18 years old by the November date of the next general election to vote. This means that these 17-year-olds could vote in any special election or primary election that occurs before the next general election. (Because current state law allows registered voters to run for elective office, this measure would result in 17-year-olds who turn 18 by the next general election to do so as well, if they meet all other existing eligibility requirements for elective office.)

**FISCAL EFFECTS**

**Minor Costs for County Election Officials.** This measure would increase the number of people eligible to vote in primary and special elections. This would increase work for county election officials. Election officials would send and process voting materials to eligible registered 17-year-olds in the primary and any special elections preceding the general election. The cost of this increased work would depend on the number of eligible 17-year-olds who register to vote before the primary and special elections. This increased work could increase **statewide county costs in each two-year election cycle likely between several hundreds of thousands of dollars and \$1 million.**

**Minor One-Time State Costs.** This measure would create one-time work for the state to update existing voter registration systems. **The one-time state costs for this work likely would be in the hundreds of thousands of dollars.** This is less than 1 percent of current state General Fund spending.

Visit <http://cal-access.sos.ca.gov/campaign/measures/> for a list of committees primarily formed to support or oppose this measure.

Visit <http://www.fppc.ca.gov/transparency/top-contributors.html> to access the committee's top 10 contributors.

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

★ ARGUMENT IN FAVOR OF PROPOSITION 18 ★

Proposition 18 will allow those who will be 18 years of age by the time of the general election to participate in the primary election of that year if they are 17 at the time of the primary. This important election reform will not only allow first-time voters to participate in the full election cycle, but also has the potential to boost youth participation in our elections.

We need youth voices to be represented at the ballot box. Allowing some 17-year-olds to vote in primary elections if, and only if, they will be 18 by the time of the general election is a simple way to amplify the voices of young voters throughout California and will lead to a more inclusive election process for our state overall.

California is behind the curve when it comes to this issue. Nearly half of states in the U.S. already allow 17-year-olds to participate in primaries and caucuses. If an individual plans to participate in the general election as a first-time voter, it is only reasonable that they be afforded the opportunity to shape the choices that appear on the general election ballot by participating in the primary. Proposition 18 links this 17-year-old participation to the age of majority by requiring that the individual be 18 by the time of the general election.

According to research conducted by the California Civic Engagement Project, in the 2020 primary election in California, youth voters (those aged between 18 and 24) made up 14.5% of the population eligible to vote, however only about 6% of those who actually voted in the election. Youth are extremely underrepresented in our electoral process despite the fact that they are heavily impacted by the policies created by those elected.

Not only does research indicate that the youth population has the lowest turnout levels out of any age demographic, but studies also show that voting is habit-forming—once an individual votes in an election, they are more likely to do so again. Early involvement in the electoral process for first-time voters should be a high priority for this reason.

Proposition 18 is an opportunity to empower California's youngest voters and encourage them to become life-long participants in the most fundamental act of democracy. Please support Proposition 18.

**KEVIN MULLIN**, Assemblymember  
CA Assembly District 22

**EVAN LOW**, Assemblymember  
CA Assembly District 28

18

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 18 ★

The statement that “nearly half” of the states allow 17-year-olds to vote in the primary is dishonest. ONLY 18 ALLOW IT, and their primaries are different from California's. Because of Propositions 13 and 218, Californians have the right to vote on tax proposals, which are often on the primary ballot. 17-year-olds have virtually no experience with earning a living and paying taxes. Real life experience is vital for voting. The suggestion that it is “only logical” that 17-year-olds should vote in the Primary if they are going to vote in the General is bad reasoning.

Since California's primary has been moved to early March, Proposition 18 would give high-school minors JUST BARELY 17 the right to vote simply because they will turn 18 EIGHT MONTHS LATER.

17-year-olds are minors, for several reasons:

- Science affirms that the reasoning and logic portion of their brains is NOT BIOLOGICALLY FULLY DEVELOPED.

- They are a captive audience (5+ hours per day, 5 days per week) to teachers on whom they depend for present and future success, making them very VULNERABLE TO ONE-SIDED INFLUENCE.
- They have NO REAL-WORLD EXPERIENCE. Most have not had to work to support themselves, nor make their own way to pay for taxes, rent, food, etc. They have no frame of reference to make the vital decisions voters make for themselves and all other members of society when they vote.

17-year-olds may be eager to vote, but they are not yet ready. VOTE NO on PROPOSITION 18.

**RUTH WEISS**, Vice President  
Election Integrity Project of California

**JON COUPAL**, President  
Howard Jarvis Taxpayers Association

**LARRY SAND**, Retired Teacher



★ ARGUMENT AGAINST PROPOSITION 18 ★

*Vote NO on Proposition 18*

“Many tax increases and bond debt measures are decided on primary and special election ballots. That’s why only adults should vote.”—*Jon Coupal, President, Howard Jarvis Taxpayers Association*

**17-YEAR-OLDS ARE NOT LEGALLY ADULTS**

Both the federal and California governments have set the age of legal responsibility at 18. In California, an individual *even one day younger* than 18 may not enter into a legal contract, or even use a tanning salon. *Seventeen-year-olds cannot even participate in a school field trip* without a permission slip signed by a parent or guardian.

California law puts extra rules and restrictions on driver licenses of 16- and 17-year-olds because of concerns about *maturity and judgment*. The license restrictions disappear *exactly* on the 18th birthday, *not before*.

California law reflects the scientific evidence that age-related brain development is connected to the ability to reason, analyze and comprehend cause-and-effect. The agreed-upon age of reason, both statewide and nationally, is 18.

**17-YEAR-OLDS ARE CAPTIVE AUDIENCES IN SCHOOL**

Voters deserve to hear *all sides of an issue* to make an *informed* choice. Most 17-year-olds are still in high school, dependent on teachers for grades and important recommendation letters vital to their future. They are *a captive audience* five days a week, with a strong incentive to do whatever teachers and counselors recommend.

California’s primary ballot often includes *school tax and bond measures* for voter approval. Unlike adult voters, 17-year-olds who are still in high school

are likely to hear only one side of these issues. For example, in 2019, the Los Angeles Unified School District engaged in an “informational” campaign to pass a proposed tax increase, Measure EE, in a special election. Schools posted huge banners on campus, handed out flyers and literature for students to take home, and even distributed sample social media posts in an effort to influence students and their families.

If 17-year-olds are allowed to vote in primary and special elections, perhaps even filling out a mail-in ballot right in the classroom, these students could *provide the margin to approve new debt and taxes that will greatly burden their parents and all taxpayers*.

**POLITICAL PARTICIPATION IS OPEN TO ALL; VOTING IS DIFFERENT**

Everyone has the right to express an opinion, advocate on issues, organize like-minded people and volunteer on campaigns. The right to vote, however, is reserved for citizens who are state residents, who are not felons in prison, and who are at least 18 years of age on Election Day.

Voting is a serious responsibility. In California elections, voters decide who will hold the power to make and enforce laws, whether to approve new debt that taxpayers will have to pay, whether to raise taxes, and many other complex issues.

Important decisions must be made by voters who are legally adults, not by high school minors.

*VOTE NO on Proposition 18.*

- RUTH WEISS**, Co-founder  
Election Integrity Project California
- JON COUPAL**, President  
Howard Jarvis Taxpayers Association
- LARRY SAND**, Retired Teacher

18

★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 18 ★

17-year-olds already work and pay taxes, and they can enlist in the military. If young people at this age are volunteering to put their lives on the line for our country and contributing financially to society, they should be able to participate in a full election cycle the year they turn 18. Prop. 18 allows 17-year-olds to vote in primary elections if they are 18 by the general election.

Figuring out how to vote, where to vote, and what is on the ballot is a difficult first-time process. Giving young people time to learn this the year they turn 18 ensures a successful first voting experience. Expanding young people’s opportunity to become civically engaged ensures that our future generations will adopt voting habits early on and take them as they go to college, join the military, or join the workforce.

In the March 2020 primary, which saw the most votes in a California presidential primary ever, only

38% of eligible voters cast a ballot. We have a civic engagement problem, and we need to establish a culture of voting for future generations sooner rather than later. Voting in one election can increase the probability of voting in the next election by over 25%. Issues like the climate crisis, student debt, healthcare, and our economic future will impact young people the most, and it is our responsibility to provide them adequate opportunities to create lifelong voting habits. A vote for Prop. 18 is a vote for our democracy.

- MARY CREASMAN**, Chief Executive Officer  
California League of Conservation Voters (CLCV)
- SENATOR RICHARD D. ROTH**, Major General  
USAF (Retired)
- SENATOR THOMAS J. UMBERG**, Colonel  
U.S. Army (Retired)

PROPOSITION **19** **CHANGES CERTAIN PROPERTY TAX RULES.  
LEGISLATIVE 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 [voterguide.sos.ca.gov](http://voterguide.sos.ca.gov).

- Permits homeowners who are over 55, severely disabled, or whose homes were destroyed by wildfire or disaster, to transfer their primary residence's property tax base value to a replacement residence of any value, anywhere in the state.
- Limits tax benefits for certain transfers of real property between family members.
- Expands tax benefits for transfers of family farms.
- Allocates most resulting state revenues and savings (if any) to fire protection services and reimbursing local governments for taxation-related changes.

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

- Local governments could gain tens of millions of dollars of property tax revenue per year. These gains could grow over time to a few hundred million dollars per year.
- Schools could gain tens of millions of dollars of property tax revenue per year. These gains could grow over time to a few hundred million dollars per year.
- Revenue from other taxes could increase by tens of millions of dollars per year for both the state and local governments. Most of this new state revenue would be spent on fire protection.

19

FINAL VOTES CAST BY THE LEGISLATURE ON ACA 11 (PROPOSITION 19)  
(RESOLUTION CHAPTER 31, STATUTES OF 2020)

Senate:	Ayes 29	Noes 5
Assembly:	Ayes 56	Noes 5

**ANALYSIS BY THE LEGISLATIVE ANALYST**

**BACKGROUND**

**Local Governments Tax Property.** California cities, counties, schools, and special districts (such as a fire protection district) collect property taxes from property owners based on the value of their property. Property taxes raise around \$65 billion each year for these local governments.

**How Is a Property Tax Bill Calculated?** Each property owner's annual property tax bill is equal to the taxable value of their property multiplied by their property tax rate. The typical property owner's property tax rate is 1.1 percent. In the year a new owner takes over a property, its taxable value typically is its purchase price. Each year after that, the property's

## ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

taxable value is adjusted for inflation by up to 2 percent. When a property changes ownership again, its taxable value is reset to its new purchase price.

***Property Taxes Increase When a Property Changes Ownership.*** The taxable value of most properties is less than what they could be sold for. This is because the price most properties could sell for grows faster than 2 percent per year. Because of this, when a property changes ownership its taxable value often resets to a higher amount. This leads to a higher property tax bill for that property. This means people who move usually end up paying higher property taxes for their new home than they paid for their old home.

***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 people as “eligible homeowners.” An eligible homeowner can move within the same county and keep paying the same amount of property taxes if their new home is not more expensive than their existing home. Also, certain counties allow these rules to apply when an eligible homeowner moves to their county from another county. Homeowners who are over 55 or severely disabled generally can use these special rules only once in their lifetime. This limit does apply to properties impacted by a natural disaster or contamination.

***Special Rules for Inherited Properties.***

Special rules also allow properties to pass between parents and children without an increase in the property tax bill.

These rules also apply to grandparents and grandchildren if the grandchildren’s parents are deceased. We call properties passed between parents and children or grandparents and grandchildren “inherited property.” The rules apply to a parent’s or grandparent’s home and a limited amount of other types of property.

***Counties Manage the Property Tax.***

County assessors determine the taxable value of property. County tax collectors bill property owners. County auditors distribute tax revenue to local governments. Statewide, counties spend about \$800 million each year on these activities.

***Schools Funding Comes From Both Local Property Taxes and State Taxes.***

Schools receive funding from both local property taxes and state taxes. State law says that schools must receive a minimum amount of total funding from these two sources.

**PROPOSAL**

The measure makes changes to the special rules for eligible homeowners and inherited properties.

***Expanded Special Rules for Eligible Homeowners.*** Starting April 1, 2021, the measure expands the special rules for eligible homeowners. Specifically, the measure:

- ***Allows Moves Anywhere in the State.*** Eligible homeowners could keep their

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

lower property tax bill when moving to another home anywhere in the state.

- **Allows the Purchase of a More Expensive Home.** Eligible homeowners could use the special rules to move to a more expensive home. Their property tax bill would still go up but not by as much as it would be for other homebuyers.
- **Increases Number of Times a Homeowner Can Use the Special Rules.** Homeowners who are over 55 or severely disabled could use the special rules three times in their lifetime.

**Narrows the Special Rules for Inherited Properties.** Starting February 16, 2021, the measure narrows the special rules for inherited properties. Specifically, the measure:

- **Ends Special Rules for Properties Not Used as a Home or for Farming.** The special rules would apply only to two kinds of inherited property. First, the rules would apply to properties used as a primary home by the child or grandchild. Second, the rules would apply to farms. Properties used for other purposes could no longer use the special rules.
- **Requires Tax Bill to Go Up for High Value Inherited Homes and Farms.** The property tax bill for an inherited home or farm would go up if the price the property could be sold for exceeds the property's taxable value by more than \$1 million (adjusted

for inflation every two years). In this case, the tax bill would go up but not as much as it would if the property were sold to someone else.

**Dedicates Certain Money for Fire Protection.** The measure could make new funding available to the state. We discuss this new funding in the next section. The measure requires that most of the new funds be spent on fire protection. In addition, the measure requires that a smaller part of the new funds be given to certain local governments.

## FISCAL EFFECTS

**Increased Property Taxes From Narrowed Rules for Inherited Properties.** Narrowing the special rules for inherited properties would lead to higher property taxes for some inherited properties. This would increase property taxes for local governments and schools.

**Reduced Property Taxes From Expanded Rules for Eligible Homeowners.** Expanding the special rules for eligible homeowners could change property tax collections in a few ways. Most importantly, more homeowners could get property tax savings when moving from one home to another. This would reduce property taxes for local governments and schools.

**Overall, More Property Taxes for Local Governments and Schools.** Some parts of the measure would increase property taxes. Other parts would decrease them. Overall, property taxes for local governments and schools probably would increase. In the first few years,



## ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

local governments could gain tens of millions of dollars per year. Over time, these revenue gains could grow to a few hundred million dollars per year. Schools could receive similar property tax gains.

**Possible Reduction in State Costs for Schools in Some Years.** In limited situations, total school funding from property taxes and state taxes could be about the same in some years despite schools' property tax gains. This is because existing state law could cause state funding for schools to decrease by about the same amount as their property tax gains. If this happens, the state would get cost savings in those years. These savings would be a similar amount to school property tax gains. The measure says most of these savings would have to be spent on fire protection.

**Other Smaller Changes in Tax Collections.** The measure allows more people to buy and sell homes without facing an increased property tax bill. Because of this, the measure probably would increase the number of homes sold each year. This would increase money going

to the state and local governments from a number of other taxes collected on the sale of a home. These increases could be in the tens of millions of dollars per year. The measure says most of this increase in state tax revenue would have to be spent on fire protection.

**Higher Costs for Counties.** Counties probably would need to hire new staff and make computer upgrades to carry out the measure. This would increase costs for counties by **tens of millions of dollars per year.**

Visit <http://cal-access.sos.ca.gov/campaign/measures/> for a list of committees primarily formed to support or oppose this measure.

Visit <http://www.fppc.ca.gov/transparency/top-contributors.html> to access the committee's top 10 contributors.

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

★ ARGUMENT IN FAVOR OF PROPOSITION 19 ★

YES on 19. Tax Savings and Housing Relief for SENIORS, WILDFIRE VICTIMS, and PEOPLE WITH DISABILITIES. Proposition 19 protects vulnerable Californians, closes unfair tax loopholes, and generates needed revenue for fire protection and emergency medical response.

1) LIMITS PROPERTY TAXES FOR SENIORS, WILDFIRE VICTIMS, AND DISABLED HOMEOWNERS. PROP. 19: • Removes unfair, ever-changing location restrictions in current law so homeowners who are seniors, disabled, or victims of wildfire can transfer their home's Prop. 13 tax savings to a replacement home anywhere in California. • Provides housing relief for millions of seniors, many feeling trapped in homes they can't maintain, with too many stairs, located too far from family or medical care—made worse by coronavirus health risks. • Creates record home ownership opportunities for renters and new homeowners statewide as tens of thousands of homes will become available for the first time in decades. • "After two wildfires destroyed 15,155 homes, victims faced massive tax hikes simply for relocating a few miles away. Prop. 19 removes unfair location restrictions to eliminate sudden tax increases so wildfire victims can move to a replacement home anywhere in California."  
—Kristy Militello, Tubbs Wildfire Survivor

2) CLOSING UNFAIR TAX LOOPHOLES USED BY EAST COAST INVESTORS, CELEBRITIES, AND WEALTHY TRUST FUND HEIRS ON VACATION HOMES AND RENTALS: • News reports and property records have revealed rules meant to limit taxes on family primary residences are exploited by out-of-state professionals, celebrities, and wealthy heirs to avoid paying their fair share of taxes on vacation homes and rentals. [*Los Angeles Times*, 8/17/18] • Exploiting loopholes resulted in billions in lost revenue for schools and counties, forcing California homeowners to pay tax bills 10 times higher than rental homes in the same neighborhood owned by heirs, many living as far as Florida or New York.

PROP. 19 PROTECTS FAMILY HOMES—and low tax rates—for children inheriting and living in primary

residences as intended under law; ELIMINATES TAX LOOPHOLES on homes converted into rentals . . . since rental income would easily cover any bump in property taxes.

3) INCREASES FIRE PROTECTION, EMERGENCY RESPONSE & SCHOOL FUNDING BY: • Establishing Fire Protection and Emergency Medical Response Funding: dedicated revenue for fire districts in rural and urban communities to fix inequities that threaten life-saving response times to wildfires and medical emergencies.

• Providing an economic boost for schools and counties struggling to balance budgets due to coronavirus, with long-term revenue for emergency response, affordable housing, homeless programs, healthcare, and other local services. • Generating hundreds of millions in revenue for schools and local governments resulting from senior home sales and closing loopholes on inherited properties not used as a primary residence.

4) DEMOCRATS AND REPUBLICANS SUPPORT PROP. 19: "Prop. 19 protects tax savings and benefits for vulnerable Californians, including seniors, disabled homeowners, and wildfire victims."—*Jim Brulte, CA Republican Party Former Chair*

"Vote with state and local Democrats to close unfair loopholes and provide needed housing relief for seniors and working families."—*Alexandra Rooker, CA Democratic Party Former Chair*

PLEASE JOIN FIREFIGHTERS, EMERGENCY RESPONDERS, SENIORS AND DISABILITY RIGHTS GROUPS, CALIFORNIA BLACK CHAMBER OF COMMERCE, CALASIAN CHAMBER, HISPANIC CHAMBER, LOCAL DEMOCRATS & REPUBLICANS.

YESon19.vote

**BRIAN RICE**, President  
California Professional Firefighters

**KATHLEEN BARAJAS**, President  
Californians for Disability Rights

**GEORGE MOZINGO**, Boardmember  
California Senior Advocates League

19

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 19 ★

Prop. 19 eliminates one of the best tools parents have to help their children.

That's the right, enshrined in California's Constitution since 1986, to pass their home and up to \$1 million of other property on without changing the Prop. 13 tax assessment. Reassessment can mean a crushing tax increase. So parent-child transfers of a home and limited other property, like a small business, are protected from reassessment by Proposition 58, which passed with 76% of the vote in 1986.

PROPOSITION 19 ELIMINATES PROPOSITION 58. Transfers of family homes will be automatically reassessed unless a child moves in within one year.

Prop. 19 will collect new taxes when California families are FORCED BY HIGHER TAXES TO SELL THEIR PROPERTY. Its backers promise money for all kinds of programs. Everything the backers of Prop. 19 say it will pay for is paid for by RAISING TAXES on parent-child transfers of family property.

Prop.19 backers say "tens of thousands of homes" will become available to create home ownership opportunities. Prop. 19's backers expect it to trigger the sale of lots of family homes. That's shocking!

Parents today have very few tools in the toolkit to help their children financially. Even in good times, it is hard for the next generation to afford to stay in California, the place that has always been their home.

Proposition 19 isn't necessary. It's a major hit on the ability of any parent in California to take care of their kids. VOTE NO ON PROPOSITION 19.

**ASSEMBLYMAN KEN COOLEY**, District 8

**SENATOR PATRICIA BATES**, District 36

**JON COUPAL**, President  
Howard Jarvis Taxpayers Association

★ ARGUMENT AGAINST PROPOSITION 19 ★

VOTE NO ON PROPOSITION 19.

“Proposition 19 is an attempt by Sacramento politicians to raise property taxes by removing two voter-approved taxpayer protections from the State Constitution. This measure would require *reassessment to market value* of property transferred from parents to children, and from grandparents to grandchildren.”—*Jon Coupal, President, Howard Jarvis Taxpayers Association*

PROPOSITION 19 TAKES AWAY PROPOSITION 13-related protections that California families have under the State Constitution and replaces them with a *tax increase*. VOTE NO on Proposition 19.

*Under current law*, transfers of certain property between parents and children are excluded from reassessment, meaning *the property tax bill stays the same* after the property is transferred. The same is true for certain transfers between grandparents and grandchildren.

Voters added these overwhelmingly popular provisions to the State Constitution with Proposition 58 in 1986 and Proposition 193 in 1996.

Under Prop. 58, parents may transfer a home of any value and up to \$1 million of assessed value of other property to their children without an increase in property taxes. IF WE LOSE PROPOSITION 58, children could be *forced by higher taxes to sell their family's property*, such as a small business that has provided the family with financial security, and their longtime family home if they can't move into it fast enough.

PROPOSITION 19 TAKES AWAY PROPOSITION 58, EVEN THOUGH IT WAS APPROVED BY 75.7% OF VOTERS!

Proposition 19 was put on the ballot through a last-minute backroom deal in the Legislature, despite opposition from both Democrats and Republicans.

Proposition 19 would force the *reassessment to market value* of property transferred within families unless used as the new owner's principal residence.

PROPOSITION 19 IS A MASSIVE, BILLION-DOLLAR TAX INCREASE ON CALIFORNIA FAMILIES.

The non-partisan Legislative Analyst's Office projects that Proposition 19 could eventually cost California families about *two billion dollars annually* in higher property taxes.

THE TRANSFER PROVISIONS IN PROPOSITION 19 WERE ALREADY REJECTED BY VOTERS.

Current law (Propositions 60 and 90) allows homeowners age 55 and older to move to a replacement home and transfer their base-year property tax assessment from their previous home to the new property. Current law allows this transfer one time, within the same county or to a county that accepts the transfers, and only if the replacement property is of equal or lesser value. In 2018, voters were presented with Proposition 5, which would have allowed more transfer opportunities, but voters decided the current system was fair and they overwhelmingly rejected Proposition 5.

Now Sacramento politicians are offering this proposal again, but this time they've added a *massive tax increase* on inherited property. It's a bad deal for California families.

California voters have said clearly that they do not want property reassessed to market value when transferred between parents and children, or, if the children's parents are deceased, between grandparents and grandchildren.

Now Sacramento politicians are trying to take these protections away from California families so they can raise taxes again. Don't let it happen.

VOTE NO ON PROPOSITION 19.

**JON COUPAL**, President

Howard Jarvis Taxpayers Association

**SENATOR PATRICIA BATES**, District 36

**ASSEMBLYMAN KEN COOLEY**, District 8

★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 19 ★

*Don't Believe Self-Serving Fictions Printed Above*  
GET THE FACTS:

FACT: Prop. 19 provides tax limits/housing relief for seniors. FACT: Prop. 19 closes tax loopholes used by out-of-state investors. FACT: Prop. 19 safeguards Prop. 13 for homeowners. FACT: Prop. 19 protects lives/homes from wildfires.

Read the initiative yourself: • “Property Tax Fairness for Seniors, the Severely Disabled, and Victims of Wildfire and Natural Disasters” [*Prop. 19, Section 2.1(b)*].

• “Protecting the right of parents and grandparents to pass on their family home to their children” [*Prop. 19, Section 2.1(a)(2)*]. • “Eliminating unfair tax loopholes used by East Coast investors, celebrities, wealthy non-Californian residents, and trust fund heirs to avoid paying a fair share of property taxes” [*Prop. 19, Section 2.1(a)(2)*]. • “Limit damage from wildfires on homes through dedicated funding for fire protection and emergency response” [*Prop. 19, Section 2.1(a)(1)*].

Read more here: [www.sos.ca.gov/elections/ballot-measures/qualified-ballot-measures](http://www.sos.ca.gov/elections/ballot-measures/qualified-ballot-measures)

*What facts did opponents conveniently fail to disclose?*

• One politician owns three homes—and recently admitted

taking advantage of the same tax loophole Prop. 19 eliminates. [*State Capitol Floor Speech, 6/26/20*]

• Another politician using the tax loophole paid \$2,034 in taxes on a MILLION DOLLAR rental home—\$10,000 LESS than what's paid on similar neighborhood homes. [*Public Records, San Diego County*] • Special-interest lawyer, Jon Coupal admitted voters didn't intend to grant tax breaks for out-of-state heirs on multimillion-dollar rentals. [*Los Angeles Times*] • “Jarvis group evolves into money machine . . . Coupal is in the business of promoting initiatives and causes.” [Sacramento Bee Columnist]

STAND WITH MILLIONS OF SENIORS, DISABLED HOMEOWNERS, WILDFIRE VICTIMS, FIREFIGHTERS, EMERGENCY RESPONDERS, FAMILY FARMERS, AND HARD-WORKING CALIFORNIANS.

[www.YESon19.vote](http://www.YESon19.vote)

**KRISTY MILITELLO**, Tubbs Wildfire Survivor

**DAVID WOLFE**, Former Legislative Director, Howard Jarvis Taxpayers Association

**SALENA PRYOR**, President

Black Small Business Association of California

PROPOSITION **20** RESTRICTS PAROLE FOR CERTAIN OFFENSES CURRENTLY CONSIDERED TO BE NON-VIOLENT. AUTHORIZES FELONY SENTENCES FOR CERTAIN OFFENSES CURRENTLY TREATED ONLY AS MISDEMEANORS. 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 [voterguide.sos.ca.gov](http://voterguide.sos.ca.gov).

- Limits access to parole program established for non-violent offenders who have completed the full term of their primary offense by eliminating eligibility for certain offenses.
- Changes standards and requirements governing parole decisions under this program.
- Authorizes felony charges for specified theft crimes currently chargeable only as misdemeanors, including some theft crimes where the value is between \$250 and \$950.
- Requires persons convicted of specified misdemeanors to submit to collection of DNA samples for state database.

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

- Increased state and local correctional costs likely in the tens of millions of dollars annually, primarily due to increases in county jail populations and levels of community supervision.
- Increased state and local court-related costs that could be more than several million dollars annually.
- Increased state and local law enforcement costs not likely to be more than a few million dollars annually related to collecting and processing DNA samples.

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ANALYSIS BY THE LEGISLATIVE ANALYST

**OVERVIEW**

Proposition 20 has four major provisions. It:

- Changes state law to increase criminal penalties for some theft-related crimes.
- Changes how people released from state prison are supervised in the community.
- Makes various changes to the process created by Proposition 57 (2016) for considering the release of inmates from prison.
- Requires state and local law enforcement to collect DNA from adults convicted of certain crimes.

Below, we discuss each of these major provisions and describe the fiscal effects of the proposition.

**CRIMINAL PENALTIES FOR CERTAIN THEFT-RELATED CRIMES**

**BACKGROUND**

A felony is the most severe type of crime. State law defines some felonies as “violent” or “serious,” or both. Examples of felonies defined as violent and serious include murder, robbery, and rape. Felonies that are not defined as violent or serious include human trafficking and selling drugs. A misdemeanor is a less severe crime.



**ANALYSIS BY THE LEGISLATIVE ANALYST**

CONTINUED

Misdemeanors include crimes such as assault and public drunkenness.

**Felony Sentencing.** People convicted of felonies can be sentenced as follows:

- **State Prison.** People whose current or past convictions include serious, violent, or sex crimes can be sentenced to state prison.
- **County Jail and/or Community Supervision.** People who have no current or past convictions for serious, violent, or sex crimes are typically sentenced to county jail or are supervised by county probation officers in the community, or both.

**Misdemeanor Sentencing.** People convicted of misdemeanors can be sentenced to county jail, county community supervision, a fine, or some combination of the three. They are generally punished less than people convicted of felonies. For example, a misdemeanor sentence cannot exceed one year in jail while a felony sentence can require a much longer time in jail or prison. In addition, people convicted of misdemeanors are usually supervised in the community for fewer years and may not be supervised as closely by probation officers.

**Wobbler Sentencing.** Currently, some crimes—such as identity theft—can be punished as either a felony or a misdemeanor. These crimes are known as “wobblers.” The decision is generally based on the specifics of the crime and a person’s criminal history.

**Proposition 47 Reduced Penalties for Certain Crimes.** In November 2014,

voters approved Proposition 47, which resulted in certain theft-related crimes being punished as misdemeanors instead of felonies. For example, under Proposition 47, theft involving property worth \$950 or less is generally considered petty theft and punished as a misdemeanor—rather than as a felony as was sometimes possible before (such as if a car was stolen). Proposition 47 also generally requires that shoplifting involving \$950 or less be punished as a misdemeanor—rather than a felony as was possible before.

**PROPOSAL**

**Increases Penalties for Certain Theft-Related Crimes.** Proposition 20 creates two new theft-related crimes:

- **Serial Theft.** Any person with two or more past convictions for certain theft-related crimes (such as burglary, forgery, or carjacking) who is found guilty of shoplifting or petty theft involving property worth more than \$250 could be charged with serial theft.
- **Organized Retail Theft.** Any person acting with others who commits petty theft or shoplifting two or more times where the total value of property stolen within 180 days exceeds \$250 could be charged with organized retail theft.

Both of these new crimes would be wobblers, punishable by up to three years in county jail, even if the person has a past conviction for a serious, violent, or sex crime.

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ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

In addition, Proposition 20 allows some existing theft-related crimes that are generally punished as misdemeanors under Proposition 47 to be punished as felonies. For example, under current law, theft of all property worth less than \$950 from a store is generally required to be punished as a misdemeanor. Under Proposition 20, people who steal property worth less than \$950 that is not for sale (such as a cash register) from a store could receive felony sentences. This could increase the amount of time people convicted of these crimes serve. For example, rather than serving up to six months in county jail, they could serve up to three years in county jail or state prison.

We estimate that a few thousand people could be affected by the above changes each year. However, this estimate is based on the limited data available, and the actual number of people affected would depend on choices made by prosecutors and judges. As a result, the actual number could be significantly higher or lower.

## COMMUNITY SUPERVISION PRACTICES

### BACKGROUND

People who are released from state prison after serving a sentence for a serious or violent crime are supervised for a period of time in the community by state parole agents. People who are released from prison after serving a sentence for other crimes are usually supervised in the community by county

probation officers—commonly referred to as Post-Release Community Supervision (PRCS). When people on state parole or PRCS break the rules that they are required to follow while supervised—referred to as breaking the “terms of their supervision”—state parole agents or county probation officers can choose to ask a judge to change the terms of their supervision. This can result in harsher terms or placement in county jail.

### PROPOSAL

#### *Changes Community Supervision Practices.*

This proposition makes various changes to state parole and PRCS practices. For example, it requires probation officers to ask a judge to change the terms of supervision for people on PRCS if they have violated them for a third time. In addition, the proposition requires state parole and county probation departments to exchange more information about the people they supervise.

## PROPOSITION 57 RELEASE CONSIDERATION PROCESS

### BACKGROUND

People in prison have been convicted of a primary crime. This is generally the crime for which they receive the longest amount of time in prison. They often serve additional time due to the facts of their cases (such as if they used a gun) or for other, lesser crimes they were convicted of at the same time. For example, people previously convicted of a serious or violent crime generally must

**ANALYSIS BY THE LEGISLATIVE ANALYST**

CONTINUED

serve twice the term for any new felony they commit.

In November 2016, voters approved Proposition 57, which changed the State Constitution to make prison inmates convicted of nonviolent felonies eligible to be considered for release after serving the term for their primary crimes. Inmates are considered for release by the state Board of Parole Hearings (BPH). Specifically, a BPH staff member reviews various information in the inmate’s files, such as criminal history and behavior in prison, to determine if the inmate will be released. BPH also considers any letters submitted by prosecutors, law enforcement agencies, and victims about the inmate. The California Department of Corrections and Rehabilitation (CDCR) contacts victims registered with the state to notify them that they can submit such letters. The inmate is released unless BPH decides that the inmate poses an unreasonable risk of violence. If not released, the inmate can request a review of the decision. Inmates who are denied release are reconsidered the following year, though they often complete their sentences and are released before then. In 2019, BPH considered nearly 4,600 inmates and approved about 860 (19 percent) for release.

**PROPOSAL**

***Changes Proposition 57 Release Consideration Process.*** Proposition 20 makes various changes to the Proposition 57 release consideration process. The major changes are:

- Excluding some inmates from the process—such as those convicted of some types of assault and domestic violence.
- Requiring BPH to deny release to inmates who pose an unreasonable risk of committing felonies that result in victims, rather than only those who pose an unreasonable risk of violence.
- Requiring BPH to consider additional issues, such as the inmates’ attitudes about their crimes, when deciding whether to release them.
- Requiring inmates denied release to wait two years (rather than one) before being reconsidered by BPH.
- Allowing prosecutors to request that BPH perform another review of release decisions.
- Requiring CDCR to try to locate victims to notify them of the review even if they are not registered with the state.

**DNA COLLECTION**

**BACKGROUND**

In California, DNA samples must be provided by (1) adults arrested for, charged with, or convicted of a felony; (2) youth who have committed a felony; and (3) people required to register as sex offenders or arsonists. These samples are collected by state and local law enforcement agencies and submitted to the California Department of Justice (DOJ) for processing. DOJ

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ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

currently receives roughly 100,000 DNA samples each year. DOJ stores the DNA profiles in a statewide DNA database and submits them to a national database. These databases are used by law enforcement to investigate crimes.

PROPOSAL

**Expands DNA Collection.** This proposition requires state and local law enforcement to also collect DNA samples from adults convicted of certain misdemeanors. These crimes include shoplifting, forging checks, and certain domestic violence crimes.

FISCAL EFFECTS

The proposition would have various fiscal effects on state and local government. However, the exact size of the effects discussed below would depend on several factors. One key factor would be decisions made by the courts and others (such as county probation departments and prosecutors) about how the proposition would be implemented. For example, the proposition seeks to change certain inmates' constitutional eligibility to be considered for release under Proposition 57 without changing the State Constitution. If the proposition were challenged in court, a judge might rule that certain provisions cannot be put into effect. Our estimates below of the fiscal effects on state and local government assume that the proposition is fully implemented. In total, the estimated increase in state costs reflects less than one percent of the state's current General Fund budget.

(The General Fund is the state's main operating account, which it uses to pay for education, prisons, health care, and other services.)

**State and Local Correctional Costs.** The proposition would increase state and local correctional costs in three ways.

- First, the increase in penalties for theft-related crimes would increase correctional costs mostly by increasing county jail populations and the level of community supervision for some people.
- Second, the changes to community supervision practices would increase state and local costs in various ways. For example, the requirement that county probation officers seek to change the terms of supervision for people on PRCS who violate them for a third time could increase county jail populations if this causes more people to be placed in jail.
- Third, the changes made to the Proposition 57 release consideration process would increase state costs by reducing the number of inmates released from prison and generally increasing the cost of the process.

We estimate that more than several thousand people would be affected by the proposition each year. As a result, we estimate that the increase in **state and local correctional costs would likely be in the tens of millions of dollars annually.** The actual increase would depend on several uncertain factors, such as the specific number of people affected by the proposition.



ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

**State and Local Court-Related Costs.** The proposition would increase state and local court-related costs. This is because it would result in some people being convicted of felonies for certain theft-related crimes instead of misdemeanors. Because felonies take more time for courts to handle than misdemeanors, workload for the courts, county prosecutors and public defenders, and county sheriffs (who provide court security) would increase. In addition, requiring probation officers to ask judges to change the terms of supervision for people on PRCS after their third violation would result in additional court workload. We estimate that these **court-related costs could be more than several million dollars annually**, depending on the actual number of people affected by the proposition.

**State and Local Law Enforcement Costs.** The proposition would increase state and local law enforcement costs by expanding the number of people who are required to provide DNA samples, possibly by tens of thousands annually.

We estimate that the increase in **state and local law enforcement costs would likely not be more than a few million dollars annually.**

**Other Fiscal Effects.** There could be other unknown fiscal effects on state and local governments due to the proposition. For example, if the increase in penalties reduces crime, some criminal justice system costs could be avoided. The extent to which this or other effects would occur is unknown.

Visit <http://cal-access.sos.ca.gov/campaign/committees/> for a list of committees primarily formed to support or oppose this measure.

Visit <http://www.fppc.ca.gov/transparency/top-contributors.html> to access the committee's top 10 contributors.

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

★ ARGUMENT IN FAVOR OF PROPOSITION 20 ★

“He slashed at me with a knife and tried to kill me,” says Terra Newell, who survived a knife attack by the sociopath Dirty John. “It was brutal and terrifying—but in California, his attack wasn’t a violent crime.”

Under California law, assault with a deadly weapon is classified a “nonviolent” offense—along with date rape, selling children for sex, and 19 other clearly violent crimes.

All are “nonviolent” under the law.

Proposition 20 fixes this.

“Nonviolent” crimes in California include domestic violence, exploding a bomb, shooting into a house with the intent to kill or injure people, raping an unconscious person and beating a child so savagely it could result in coma or death.

Sex traffickers typically beat, rape and drug their victims before selling them for sex. But in California, trafficking is a “nonviolent” offense. Even hate crimes are considered “nonviolent.”

As a result, thousands of offenders convicted of these 22 violent crimes, including sex offenders and child molesters, are eligible for early prison release, WITHOUT serving their full sentences, and WITHOUT their victims being warned.

Proposition 20 PREVENTS the early release of violent offenders and sexual predators by making these 22 violent crimes “violent” under the law, and requires that victims be notified when their assailants are set free.

Proposition 20’s “full sentence” provision applies ONLY to violent inmates who pose a risk to public safety, regardless of race or ethnicity. It does NOT apply to drug offenders and petty criminals, and does NOT send more people to prison.

“Claims that Proposition 20 will fill our prisons with thousands of new inmates are false,” says Michele Hanisee, president of the Association of Deputy District Attorneys.

“It doesn’t send one new person to prison. It simply requires violent offenders and sexual predators to complete their full sentences.”

This protects victims and gives offenders longer access to counseling, anger management and other rehabilitation programs.

“Proposition 20 protects children against physical abuse and sexual exploitation,” says Klaas Kids Foundation founder Marc Klaas. “Trafficking children will finally be recognized as the violent crime it is.”

Proposition 20 provides additional protection against violent crime by allowing DNA collection from persons convicted of theft or drug offenses, which multiple studies show helps solve more serious and violent crimes like rape, robbery and murder.

California reduced penalties for theft in 2014. Since then, major theft has increased 25%, costing grocers, small business owners, retailers, homeowners and consumers billions of dollars. Shoplifting has become so common it’s seldom reported.

Proposition 20 strengthens sanctions against serial theft by habitual criminals—to help stop car break-ins, shoplifting, home burglaries and other major theft.

California’s drug addiction crisis is fueling much of this theft. By strengthening sanctions against theft, Proposition 20 helps get addicts (who are 75% of California’s homeless population) off the streets and into the substance abuse and mental health programs they desperately need.

Voting “YES” on Proposition 20 is a vote against hate and violence.

It’s a vote for children, victims and survivors.

It’s a vote for equal justice and a safer California.

**PATRICIA WENSKUNAS**, Founder  
Crime Survivors, Inc.

**NINA SALARNO BESSELMAN**, President  
Crime Victims United of California

**CHRISTINE WARD**, Director  
Crime Victims Alliance

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★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 20 ★

NO ON PROP. 20—IT’S A PRISON SPENDING SCAM

We are prosecutors and survivors of violent crimes. Prop. 20 backers are wrong, here’s the truth:

SENTENCING LAWS FOR VIOLENT CRIMES ARE CLEAR AND STRONG

People who commit violent crimes receive severe and lengthy sentences, often life in prison. That’s NOT what Prop. 20 is about.

PROP. 20 WASTES TENS OF MILLIONS OF YOUR TAXPAYER DOLLARS ON PRISONS

The non-partisan Legislative Analyst says Prop. 20 will cost, “tens of millions of dollars” every year which could force draconian cuts to:

- Rehabilitation in prison for people getting out
- Mental health programs proven to reduce repeat crime
- Schools, housing, and homelessness
- Support for victims

PROP. 20 IS EXTREME

Prop 20 means petty theft—stealing a bike—could be charged

as a felony. That’s out of line with other states and means more teenagers and Black, Latino and low-income people could be incarcerated for years for a low-level, non-violent crime.

PROP. 20 TAKES US BACKWARDS

Californians have overwhelmingly voted to reduce wasteful prison spending. Prop. 20 reverses that progress. Rehabilitating people before prison release is the most effective way to improve public safety. Prop. 20 could eliminate funding for what works, and waste money on more prisons we don’t need.

Law enforcement leaders, budget experts, criminal justice reformers, prosecutors, and crime victims all oppose this prison spending scam.

*NoProp20.Vote*

**DIANA BECTON**, District Attorney  
Contra Costa County

**RENEE WILLIAMS**, Executive Director  
National Center for Victims of Crime

**TINISCH HOLLINS**, California Director  
Crime Survivors for Safety and Justice

★ ARGUMENT AGAINST PROPOSITION 20 ★

STOP THE PRISON SPENDING SCAM—VOTE NO ON PROP. 20!

California already has lengthy sentences and strict punishment for serious and violent crime. Backers of Prop. 20 are trying to scare you into rolling back effective criminal justice reforms you just passed, to spend tens of millions of your taxpayer dollars on prisons.

Don't be fooled. Every year, thousands are convicted of felonies with long sentences. The problem isn't sentencing, it's what happens in prison to prepare people for release. Prop 20 could slash mental health treatment and rehabilitation programs—proven strategies to reduce repeat crime. That will make us all less safe.

Crime victims, law enforcement leaders as well as budget and rehabilitation experts oppose Prop. 20 because it wastes tens of millions on prisons while cutting rehabilitation programs and support for crime victims. Prop. 20 is a prison spending scam that takes us backwards.

PROP. 20 WASTES YOUR MONEY ON PRISONS.

Prop. 20 will spend tens of millions of taxpayer dollars—your money—on prisons. California is facing massive cuts to schools, health care, and other critical services. Spending tens of millions more on prisons right now is a wasteful scam.

PROP. 20 IGNORES HOMELESSNESS, SCHOOLS, MENTAL HEALTH, AND HOUSING.

We must always do more to address crime, but Prop. 20 will make things worse. Prop. 20 wastes tens of millions of your taxpayer dollars on prisons that would be better spent on schools, homelessness, mental health treatment, and affordable housing.

PROP. 20 IS EXTREME.

Prop 20 means that theft over \$250 could be charged as a felony. That's extreme, out of line with other states, and means more teenagers and Black, Latino and low income people could be locked up for years for low-level, non-violent crimes.

PROP 20 CUTS THE USE OF REHABILITATION—MAKING US LESS SAFE.

Rehabilitation is a proven strategy to reduce repeat crime, so people become law-abiding, productive, taxpaying citizens. Prop 20 could cut rehabilitation—meaning fewer people would be ready to re-enter society when they are released, which would harm public safety.

PROP. 20 REDUCES NECESSARY SUPPORT FOR CRIME VICTIMS.

While overspending on prisons, Prop. 20 will slash financial support available to help victims of crime recover from trauma. PROP. 20 TAKES US BACKWARDS.

California has made progress, carefully enacting modest reforms to reduce wasteful prison spending, and expand rehabilitation and other alternatives that have proven to cost-effectively reduce and prevent crime. People are demanding more changes to fix unjust policies that disproportionately harm poor people and people of color. Prop. 20 would repeal the progress we've made and take us backwards toward the failed, wasteful, and unjust policies of the past.

EXPERTS ON CRIME, SPENDING, AND CRIMINAL JUSTICE AGREE.

Prop. 20 will NOT make our communities safer. Prop. 20 WILL waste tens of millions of YOUR taxpayer dollars on prisons—causing CUTS to critical services people need.

STOP the Prison Spending Scam. VOTE NO on Prop. 20!

*NoProp20.vote*

#StopthePrisonSpendingScam

**TINISCH HOLLINS**, California Director  
Crime Survivors for Safety and Justice

**WILLIAM LANDSDOWNE**, Police Chief (ret.)  
City of San Diego

**MICHAEL COHEN**, Director of Finance (fmr.)  
State of California

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★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 20 ★

Opponents ignore what Proposition 20 really does—it PREVENTS convicted child molesters, sexual predators and other violent inmates from being released from prison early.

Under current law, these inmates now qualify for early release because their violent crimes are classified as “nonviolent.”

Proposition 20 closes this loophole, making crimes like date rape, child trafficking, spouse beating, and assault with a deadly weapon “violent” under the law.

“Proposition 20 does NOT send one new person to prison,” says Michael Rushford, President of the Criminal Justice Legal Foundation. “It does NOT allocate funds for new prisons, nor slash funding for mental health and rehabilitation programs. These are FALSE arguments.”

Opponents claim Proposition 20 makes petty theft a “serious felony,” and say offenders “could be locked up in state prison for years.”

Both claims are untrue.

Read the initiative. Proposition 20 specifically targets HABITUAL thieves who REPEATEDLY steal. And it specifically

FORBIDS convicted offenders from being sent to state prison. Instead, they'll be directed to local jail or rehabilitation programs.

By targeting only violent offenders and habitual criminals, Proposition 20 protects ALL Californians, including people of color, who studies show suffer disproportionately from violent crime.

We all want to reform our justice system. But allowing violent offenders to leave prison early isn't reform. It's a threat to public safety.

Proposition 20 is REAL reform that protects victims and ensures equal justice.

Vote YES on Proposition 20.

**FRANK LEE**, President  
Organization for Justice and Equality

**ERIC R. NUÑEZ**, President  
California Police Chiefs Association

**PATRICIA WENSKUNAS**, Founder  
Crime Survivors Inc.

PROPOSITION  
**21** 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 [voterguide.sos.ca.gov](http://voterguide.sos.ca.gov).

- Amends state law to allow local governments to establish rent control on residential properties over 15 years old. Allows local limits on annual rent increases to differ from current statewide limit.
- Allows rent increases in rent-controlled properties of up to 15 percent over three years at start of new tenancy (above any increase allowed by local ordinance).
- Exempts individuals who own no more than two homes from new rent-control policies.

- In accordance with California law, prohibits rent control from violating landlords' right to fair financial return.

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

- Overall, a potential reduction in state and local revenues in the high tens of millions of dollars per year over time. Depending on actions by local communities, revenue losses could be less or 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 carry out rent control. These boards are paid for with 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 Law Limits Rent Increases.** In addition to local rent control allowed by Costa-Hawkins, a new state law limits rent increases for most rental housing in California. Landlords cannot increase rent by more than 5 percent plus inflation in a year, or 10 percent, whichever is lower. This applies to most housing that is more than 15 years old. This law lasts until January 1, 2030.

**State and Local Government Tax Revenues.** Three taxes are the largest sources of tax revenue for the state and local governments in California—personal income tax, property tax, and sales tax. 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**

**Allows for Expansion of Rent Control.** The measure modifies the three main limitations of Costa-Hawkins, allowing cities and counties to apply rent control to more properties than under current law. Specifically, cities and counties can apply rent control to most housing that is more than 15 years old. This does not include single-family homes owned by people with two or fewer properties. In addition, cities and

## ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

counties can limit how much a landlord can increase rents when a new renter moves in. Communities that do so must allow a landlord to increase rents by up to 15 percent during the first three years after a new renter moves in.

**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 beyond the existing protections for renters, 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. For example, fewer renters would move because their rents increase.

The size of these effects would depend on how many communities pass new laws, how many properties are covered, and how much rents are limited.

**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 lead to a decrease in property tax payments made by owners of those properties over time. These property tax losses would be partially offset by higher property tax payments resulting from the sales of rental housing. This is because property sales often cause property tax bills to reset at a higher level. Revenue losses from lower property values would be larger than revenue gains from increased sales. Because of this, the measure would reduce overall property tax payments.

- **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, both up and down. The overall effect on state income tax revenue is not clear.

Overall, the measure likely would reduce state and local revenues over time. The largest effect would be on property taxes. The amount of revenue loss would depend on many factors, most importantly how communities respond to this measure. For example, if communities that already have rent control expand their rules to include newer homes and single-family homes, revenue losses could be in the high tens of millions of dollars per year. If many communities create new rent control rules, revenue losses could be larger. If few communities make changes, revenue losses would be minor.

**Increased Local Government Costs.** If cities or counties create new rent control laws or expand existing ones, local rent boards would have increased 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://cal-access.sos.ca.gov/campaign/measures/> for a list of committees primarily formed to support or oppose this measure.

Visit <http://www.fppc.ca.gov/transparency/top-contributors.html> to access the committee's top 10 contributors.

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



★ ARGUMENT IN FAVOR OF PROPOSITION 21 ★

VOTE YES ON PROPOSITION 21! KEEP FAMILIES IN THEIR HOMES, PRESERVE AFFORDABLE HOUSING, STOP HOMELESSNESS, AND SAVE TAXPAYERS MONEY.

Where are people supposed to live in California? The housing crisis rages on as rising rents and stagnant wages leave many behind. The consequences are felt by everyone. Neighbors are forced from communities, renters face uncertainty, and the most vulnerable people end up on the streets. Small businesses are squeezed as renters spend less in their communities and workers face longer commutes.

Living paycheck to paycheck makes it difficult for teachers, grocery clerks, and nurses to afford housing in the communities they serve, while still having enough money for basics like groceries, gas, and childcare. And skyrocketing rents have led to over 150,000 homeless people living on the streets.

The crisis is only getting worse. The coronavirus pandemic has left millions of workers unemployed and at risk of losing their homes. According to a UCLA study, we are facing a surge in homelessness.

By tackling one of the root causes of the crisis, Prop. 21:

• SAVES TAXPAYERS MONEY

A 2017 study found that just a 5 percent increase in rent pushes 2,000 Los Angeles residents into homelessness. The burden of rising homelessness in California is paid for by taxpayers. The cost of homelessness, estimated at \$35,000 to \$45,000 annually per homeless person, is unsustainable. Prop. 21 ensures that fewer people lose their homes, saving taxpayers money.

• KEEPS FAMILIES IN THEIR HOMES

Prop. 21 will help children, parents, seniors, and essential workers stay in their homes. Right now, children are pushed out of their schools, parents are forced into long commutes, and seniors are faced with unaffordable rents. More and

more people are being pushed out onto the streets. Proposition 21 provides reasonable and predictable rent increases for members of our community.

• BRINGS STABILITY TO SENIORS AND VETERANS

Seniors and veterans are struggling with devastatingly high rents, leaving little for food, medical care, and other necessities. Prop. 21 allows local communities to limit their rent increases and preserve affordable housing. It helps seniors and veterans stay in their homes.

• PROTECTS SINGLE-FAMILY HOMEOWNERS

Prop. 21 exempts single-family homeowners. If you are not in the rental home business, you will NOT be affected by Prop. 21.

• KEEPS HOUSING COSTS DOWN

Families, teachers, and nurses are struggling to find housing due to skyrocketing rents. Prop. 21 allows our communities to preserve affordable housing and encourages the construction of new homes. This will make housing affordable for all.

• GUARANTEES LANDLORDS A PROFIT

Prop. 21 GUARANTEES landlords a profit. It is fair to mom-and-pop landlords and renters alike.

YES on Prop. 21 is supported by a broad coalition of elected officials, labor unions, civic organizations, national social justice groups, local tenants unions, and legal aid organizations. Proposition 21 helps families, children, senior citizens, and veterans stay in their homes. Learn more at [yeson21ca.org](http://yeson21ca.org).

**DOLORES HUERTA**, President

The Dolores Huerta Foundation

**KEVIN DE LEÓN**, President pro Tempore Emeritus  
California State Senate

**CYNTHIA DAVIS**, Chair of the Board of Directors  
AIDS Healthcare Foundation

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★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 21 ★

PROP. 21 WILL MAKE THE HOUSING CRISIS WORSE

With millions of people out of work and struggling just to stay in their homes, the last thing we should do is repeal California's rental housing protections with no solution.

It's why civil rights leaders, affordable housing advocates, seniors, veterans and a broad coalition of business and labor organizations oppose Prop. 21.

"Prop. 21 encourages landlords to evict tenants, and would result in less rental housing supply, higher housing costs and more homelessness."—*Alice Huffman, President, California State Conference of the NAACP*

REASONS TO VOTE NO ON PROP. 21

Californians should reject this scheme that makes the housing crisis worse. Prop. 21: • Undermines the strongest statewide rent control law in the nation • Costs jobs and stops affordable housing construction • Takes away basic homeowner protections • Would reduce home values up to 20 percent • Offers no protections for seniors, veterans or the disabled. • Contains no provisions to reduce rents or stop homelessness • Allows unelected boards to impose extreme price controls • Reduces state and local funds by tens of millions of dollars annually for priorities like local

schools and fire safety

PROP. 21 IS OPPOSED BY BIPARTISAN LEADERS AND ORGANIZATIONS

Opponents include: • California State Conference of the NAACP • California Council for Affordable Housing • Coalition of Small Rental Property Owners • American Legion, Department of California • California Chamber of Commerce • Women Veterans Alliance • Nearly 50 local unions • United Latinos Vote • California Taxpayers Association.

DEMAND REAL SOLUTIONS

Voters overwhelmingly rejected the same failed scheme two years ago. Vote NO on 21 and demand real solutions to our housing crisis, like putting people back to work by creating affordable and middle-class housing. Get the facts at [NoOnProp21.vote](http://NoOnProp21.vote)

**ALICE HUFFMAN**, President

California State Conference of the NAACP

**MARILYN MARKHAM**, Board Member  
California Senior Advocates League

**ROBERT GUTIERREZ**, President  
California Taxpayers Association



★ **ARGUMENT AGAINST PROPOSITION 21** ★

**PROP. 21 IS A DEEPLY FLAWED SCHEME THAT WILL INCREASE HOUSING COSTS AND HURT CALIFORNIA'S ECONOMIC RECOVERY**

If Prop. 21 seems familiar, it's because nearly 60% of California voters rejected the same flawed scheme in 2018. Seniors, veterans and affordable housing experts all oppose Prop. 21 because it will make housing less available and less affordable at a time when millions of Californians are struggling to get back to work and keep a roof over their heads.

The California Council for Affordable Housing calls Prop. 21 a "flawed idea." Here's how Prop. 21 will make things worse:

**REPEALS HOUSING LAW WITH NO SOLUTION**

Prop. 21 does nothing to address California's housing shortage. Instead, it undermines the strongest statewide rent control law in the nation signed by Gov. Newsom and enacted just last year with no plan to build affordable and middle-class housing or deal with the increasing problem of homelessness on our streets.

**ELIMINATES HOMEOWNERS PROTECTIONS**

Prop. 21 takes away basic protections for homeowners and allows regulators to tell single-family homeowners how much they can charge to rent out a single room. Millions of homeowners will be treated just like corporate landlords and subject to regulations and price controls enacted by unelected boards.

**REDUCES HOME VALUES UP TO 20%**

Non-partisan researchers at MIT estimate extreme rent control measures like this result in an average reduction in home values up to 20%. That's up to \$115,000 in lost value for the average homeowner. Californians can't afford to take another hit with the economic collapse threatening their home values and life savings.

**OFFERS NO PROTECTIONS FOR SENIORS, VETERANS OR THE DISABLED**

Prop 21 has no protections for seniors, veterans or the disabled, and it has no provision to reduce rents. Veterans, seniors, social justice organizations and the American Legion, Dept. of California, agree it's the last thing we need right now.

**ALLOWS EXTREME REGULATIONS**

Prop. 21 allows local governments to establish extreme and permanent regulations on nearly all aspects of housing. For example, even after a tenant moves out, property owners won't be able to establish rents at market rates or pay for investments in repairs or upgrades. It simply goes too far.

**MAKES THE HOUSING CRISIS WORSE**

Californians are experiencing a severe housing affordability crisis in the most devastating economic and public health emergency of our lifetimes. The last thing we should do is pass an initiative that will stop new housing from being built, cost jobs, and hurt the economic recovery.

**OPPOSED BY A BROAD BIPARTISAN COALITION**

Democrats and Republicans agree Prop. 21 will make the crisis worse. Opponents include: California Council for Affordable Housing • Disabled American Veterans, Dept. of California • California Housing Consortium • Vietnam Veterans of America, California State Council • California Chamber of Commerce

**DEMAND REAL SOLUTIONS**

We should vote "NO" on Prop. 21 and demand real solutions.

**VOTE NO ON PROPOSITION 21**

Learn more at [NoOnProp21.vote](http://NoOnProp21.vote)

**EDWARD J. GRIMSLEY**, State Commander  
American Legion, Dept. of California

**LORRAINE J. PLASS**, 3rd Vice Commander  
AMVETS, Dept. of California

**PATRICK SABELHAUS**, Executive Director  
California Council for Affordable Housing

★ **REBUTTAL TO ARGUMENT AGAINST PROPOSITION 21** ★

**PROP. 21—THE CHANGE WE NEED TO TACKLE HOMELESSNESS**

A YES Vote on Proposition 21 is a vote to keep families together. A strong coalition of elected leaders; affordable housing providers; and senior, veteran, and homeless advocates agree that Proposition 21 will help keep families in their homes. Prop. 21:

- Protects millions of seniors, veterans, and working families
- Saves taxpayers money by preventing homelessness
- Preserves affordable housing
- Protects single-family homeowners

"Proposition 21 helps seniors stay in their homes. It protects them from becoming homeless and lets them live their lives in dignity, near family and friends."—*Ernie Powell, Social Security Works California*

"Prop. 21 gives our communities additional tools to keep vulnerable families in their homes. Proposition 21 will help seniors, veterans and workers."—*Ben Allen, California State Senator*

"More veterans become homeless every year due to the high cost of housing. Proposition 21 will help keep veterans from

becoming homeless."—*Jillynn Molina-Williams, Veterans Caucus Chair of the California Democratic Party*

"The single most important thing you can do to help nurses, teachers, firefighters, grocery workers and hotel workers stay in their homes is to VOTE YES ON PROPOSITION 21."

—*Ada Briceño, Co-President, UNITE HERE Local 11*

"Homelessness costs the state billions of dollars. This cost is passed down to taxpayers. Prop. 21 saves taxpayers money by keeping families in their homes."—*Jamie Court, President, Consumer Watchdog*

**CALIFORNIA NEEDS PROP. 21**

Vote YES on Proposition 21 to keep families in their homes!

Learn more at [Yeson21CA.org](http://Yeson21CA.org).

**DAVID CAMPOS**, Chair  
San Francisco Democratic Party

**ERNIE POWELL**  
Social Security Works

**JAMIE COURT**, President  
Consumer Watchdog

PROPOSITION **EXEMPTS APP-BASED TRANSPORTATION AND DELIVERY COMPANIES**  
**22 FROM PROVIDING EMPLOYEE BENEFITS TO CERTAIN DRIVERS.**  
**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 [voterguide.sos.ca.gov](http://voterguide.sos.ca.gov).

- Classifies drivers for app-based transportation (rideshare) and delivery companies as “independent contractors,” not “employees,” unless company: sets drivers’ hours, requires acceptance of specific ride or delivery requests, or restricts working for other companies.
- Independent contractors are not covered by various state employment laws—including minimum wage, overtime, unemployment insurance, and workers’ compensation.
- Instead, independent-contractor drivers would be entitled to other compensation—including minimum earnings, healthcare subsidies, and vehicle insurance.

- Restricts certain local regulation of app-based drivers.
- Criminalizes impersonation of drivers.

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

- Minor increase in state income taxes paid by rideshare and delivery company drivers and investors.

ANALYSIS BY THE LEGISLATIVE ANALYST

**BACKGROUND**

**App-Based Rides and Delivery.** Some companies allow customers to hire rides or order food for delivery on a phone app. These companies are often called rideshare and delivery companies. Most large rideshare and delivery companies are headquartered in California. In total, these companies are worth about as much as Ford, General Motors, and Fiat Chrysler combined.

**Rideshare and Delivery Companies Hire Drivers as Independent Contractors.** An independent contractor is someone who does work for a business but is not an employee of the business. Drivers for rideshare and delivery companies choose when, where, and how much to work. Drivers use their own cars and pay their own expenses.

**Most Drivers Work Part Time.** Most drivers work part time and many drivers only work for a short time or only drive occasionally. Rideshare and delivery companies pay drivers a share of the fare or delivery charge customers pay for app-based services. Drivers spend about one-third of their time waiting for rides and deliveries and are not paid during this time. Most drivers probably make between \$11 and \$16 per hour, after accounting for waiting time and driving expenses.

**The State Says Rideshare and Delivery Companies Must Hire Drivers as Employees.** The state recently passed a law that limits the ability of companies to hire workers as independent contractors. The state Attorney General says the law means rideshare and delivery companies must hire drivers as employees. The rideshare and delivery companies do not agree that the new state law makes their drivers employees. The companies continue to hire drivers as independent contractors. The state Attorney General recently sued two rideshare companies to force them to hire drivers as employees. If the courts agree with the Attorney General, the companies will have to hire drivers as employees.

**As Employees, Drivers Would Get Standard Benefits and Protections.** As employees, drivers would get standard job benefits and protections that independent contractors do not get. For example, employees must be paid at least a minimum wage plus extra pay for overtime. Employees also must be allowed to take breaks and take paid time off if they are sick. At the same time, as employees, drivers would have less choice about when, where, and how much to work.

## PROPOSAL

**Makes Drivers Independent Contractors.** This measure makes app-based rideshare and delivery drivers independent contractors. The new state law that limits the ability of companies to hire independent contractors would not apply to drivers.

**Gives Drivers Certain Benefits.** This measure requires rideshare and delivery companies to provide certain benefits:

- **Earnings Minimum.** This measure requires companies to pay 120 percent of the local minimum wage for each hour a driver spends driving, but not time spent waiting.
- **Health Insurance Stipend.** For drivers who normally work more than 15 hours per week (not including waiting time), this measure requires that companies help pay for health insurance.
- **Pay For Costs When a Driver Gets Hurt on the Job.** This measure requires that companies pay medical costs and replace some lost income when a driver is injured while driving or waiting.
- **Rest Policy.** This measure prohibits drivers from working more than 12 hours in a 24-hour period for a single rideshare or delivery company.
- **Other Requirements.** This measure prohibits workplace discrimination and requires that companies: (1) develop sexual harassment policies, (2) conduct criminal background checks, and (3) mandate safety training for drivers.

**Limits Local Government Ability to Set Additional Rules.** This measure limits the ability of cities and counties to place additional rules on rideshare and delivery companies.

## FISCAL EFFECTS

Whether rideshare and delivery drivers are employees or independent contractors is still being decided in the courts. The fiscal effects below assume that the courts agree with the state that drivers are employees under the new state law.

**Lower Costs and Higher Profits for Rideshare and Delivery Companies.** This measure allows rideshare and delivery companies to hire drivers as independent contractors instead of employees. The companies would not have to pay the costs of providing standard employee benefits and protections, which usually make up 20 percent of employee costs. This would allow the companies to charge lower fares and delivery fees. With lower prices, customers would take more rides and place more orders. This could increase the companies' profits. Higher profits would increase the companies' stock prices.

**Drivers and Stockholders Would Pay More Income Taxes.** Because people would take more rides and place more orders, drivers as a group would earn more income. This means state income taxes paid by drivers would increase. Californians who own rideshare and delivery company stock also may earn more when they sell the stock. They would pay state income taxes on these increased gains. The amount of increased state personal income taxes paid by drivers and stockholders is unknown, but likely minor.

## SUMMARY OF FISCAL EFFECTS

This measure would have the following fiscal effect:

- Minor increase in state income taxes paid by rideshare and delivery company drivers and investors.

Visit <http://cal-access.sos.ca.gov/campaign/measures/> for a list of committees primarily formed to support or oppose this measure.

Visit <http://www.fppc.ca.gov/transparency/top-contributors.html> to access the committee's top 10 contributors.

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

★ ARGUMENT IN FAVOR OF PROPOSITION 22 ★

PROBLEM: DRASTIC NEW LEGISLATION THREATENS TO MAKE IT ILLEGAL FOR APP-BASED DRIVERS TO WORK AS INDEPENDENT CONTRACTORS

Sacramento politicians recently passed legislation that threatens to eliminate the ability of Californians to choose work as independent contractors providing app-based rideshare, food and grocery delivery services.

By a 4:1 margin, independent surveys show app-based drivers overwhelmingly prefer to work as independent contractors, not employees. These drivers have other jobs, family obligations or health issues and need flexibility to continue this work and supplemental income to support their families.

PROHIBITING INDEPENDENT CONTRACT WORK FOR APP-BASED DRIVERS WOULD ELIMINATE HUNDREDS OF THOUSANDS OF JOBS

“Eliminating drivers’ ability to work as independent contractors will end the flexibility the vast majority of drivers need, severely damaging the proven on-demand model that quickly matches customers with drivers. The result will be much longer wait times, significantly higher consumer prices, and the permanent shutdown of services in many areas—eliminating hundreds of thousands of jobs.”—William Hamm, former nonpartisan State Legislative Analyst

SOLUTION: YES ON PROP. 22 PROTECTS THE ABILITY OF DRIVERS TO WORK AS INDEPENDENT CONTRACTORS & PROVIDES NEW BENEFITS

YES ON 22:

1. PROTECTS the choice of app-based drivers to work as independent contractors—SAVING CALIFORNIA JOBS when millions are struggling financially.
2. IMPROVES app-based work by requiring companies to provide new benefits, including: guaranteed minimum earnings • funding for health benefits • medical and disability coverage for on-the-job injuries • additional protections against harassment and discrimination.
3. CREATES EXPANDED PUBLIC SAFETY PROTECTIONS, including: requiring ongoing background checks and safety courses • zero tolerance for drug and alcohol offenses • criminal penalty for impersonating a driver.

YES ON 22: BY A 4:1 MARGIN APP-BASED DRIVERS WANT TO BE INDEPENDENT

More than 80% of drivers work less than 20 hours a week, have other jobs or responsibilities and can’t work set shifts as employees: • Parents who work while kids are in school; • Family members who work odd hours so they can care for aging parents or other loved ones; • Working families, retirees and students who need supplemental income.

“I’m a disabled veteran and am going back to school to prepare for a new career. I strongly support Prop. 22 because it protects the flexibility I need to work around my medical appointments and my education.”—Matthew Emerson, Navy Veteran & Food Delivery Driver

“I’m a mother of five with a full-time job. I need flexible, independent work a few hours a week to supplement my income. Otherwise my family wouldn’t survive financially.”—Brenda Vela, Mother & Rideshare Driver

YES ON PROP. 22 KEEPS RIDESHARE & FOOD DELIVERY SERVICES AVAILABLE, AFFORDABLE & SAFE

Prop. 22 preserves delivery services that millions now rely on to bring groceries, medications and warm meals to homes, and rideshare that improves mobility and keeps drunk drivers off our roads.

YES ON 22: SUPPORTED BY DRIVERS, SMALL BUSINESSES, SOCIAL JUSTICE ADVOCATES, PUBLIC SAFETY LEADERS & OTHERS

Supported by an overwhelming majority of app-based drivers • California Small Business Association • California State NAACP • California Peace Officers’ Association • National Hispanic Council on Aging • California Senior Advocates League • 100+ other organizations.

www.VoteYesProp22.com

BETTY JO TOCCOLI, President  
California Small Business Association

JIM PYATT, President  
Independent Drivers Alliance of California

MINNIE HADLEY-HEMPSTEAD, President  
NAACP Los Angeles

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 22 ★

My name is Jerome Gage. I’ve been a Lyft driver for five years. I like the flexibility. Before COVID-19, I drove 40 hours a week. I drive less now but understand why.

What I don’t understand is why Uber and Lyft refuse to treat me as an employee since that’s California law.

Right now, they don’t pay minimum wage or overtime. They don’t give us paid sick time. They shift the cost of doing business onto us. That’s wrong.

Vote NO on 22.

They also don’t think I deserve healthcare or protections of an “essential” employee. When COVID-19 hit, they wouldn’t even cover my unemployment benefits.

But they paid \$5,000,000 to put 22 on the ballot. And they say they’ll spend another ONE HUNDRED MILLION to pass it.

Drivers like me would’ve used that money for PPE or more sanitation stations to protect us and keep our customers safe. If we got sick, we’d even have healthcare.

Uber and Lyft claim I want to be “independent.” What I really want is to be safe and paid a living wage. That would give me independence.

Recent studies show 70% of Uber and Lyft drivers work 30 or more hours a week—just like me—and our wages would be WORSE under Prop. 22. How’s that fair?

Billion-dollar companies shouldn’t get to pick and choose the laws they follow or write their own, like Prop. 22.

Please join me and driver groups representing over 50,000 drivers: VOTE NO on Prop. 22.

JEROME GAGE, Lyft Driver



★ ARGUMENT AGAINST PROPOSITION 22 ★

Uber, Lyft, and DoorDash paid to put Proposition 22 on the November ballot. They hired lawyers to write this misleading initiative and paid political operatives millions to collect the voter signatures needed.

Why?

To create a special exemption for themselves that will legally deny their driver's basic rights and protections at work like paid sick leave; workers' compensation, or unemployment benefits.

Prop. 22 ONLY applies to Uber, Lyft, DoorDash, and other app-based delivery and transportation companies. Their goal is PROFIT. Only THESE companies would profit from this special exemption.

Current law requires Uber, Lyft, and DoorDash to provide their drivers with a minimum wage, healthcare, paid sick leave, unemployment, and workers' compensation coverage, just like every other California business.

The Attorney General recently sued them for breaking the law and for relentlessly avoiding responsibility to their drivers for years. With your vote, you can help make them stop! Vote NO on Prop. 22.

Why vote NO on Proposition 22?

- Prop. 22 creates a special exemption that eliminates basic workplace benefits and replaces them with a new LOWER "earnings guarantee" and "healthcare subsidy" payments designed to save the companies money.
- Prop. 22 contains deceptive wording to cynically try to convince us they are strengthening driver protections. The truth is, Uber and Lyft are ALREADY required to perform background checks, and the new provisions would ELIMINATE required sexual harassment training and the obligations on Uber and Lyft to investigate customers' and drivers' sexual harassment claims.
- The bottom line: Prop. 22 is all about money. It's not about helping the drivers you meet if you use these apps.

The outbreak of COVID-19 further exposed these companies' refusal to treat their drivers fairly.

*The New York Times* editorial board recently wrote that these companies "have failed to enforce consistent safety measures during the pandemic, including providing sufficient numbers of masks or guidance on social distancing, while pushing workers to fulfill an ever greater number of orders to keep up with the rising demand for food deliveries."

These drivers, 78% of whom are people of color, are ESSENTIAL. They've helped California through the pandemic, and they deserve better.

We believe app drivers, many Latino, Black, or from other communities of color, SHOULD have sick leave, healthcare, unemployment benefits, AND flexibility in their scheduling. So don't let Uber, Lyft, and DoorDash confuse the issue. They claim this is about "flexibility" for "part-time" drivers. However, current law in no way limits driver flexibility.

In fact, a University of California study found that a majority of drivers are not part-time, and over 70 percent of drivers for Uber and Lyft work 30 or more hours per week.

Don't take our word. Read for yourself at [transform.ucsc.edu/on-demand-and-on-the-edge](http://transform.ucsc.edu/on-demand-and-on-the-edge).

Prop. 22 was written by Uber, Lyft, and DoorDash for Uber, Lyft, and DoorDash, NOT their drivers. That's why tens of thousands of drivers have joined us to urge a NO vote.

Don't let Uber, Lyft, and DoorDash write their own special law. Vote No on Proposition 22.

[NOonCAProp22.com](http://NOonCAProp22.com)

**ALVARO BOLAINÉZ**, Uber Driver  
**NOURBESE FLINT**, Executive Director  
 Black Women for Wellness Action Project  
**ART PULASKI**, Executive Secretary-Treasurer  
 California Labor Federation

★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 22 ★

APP-BASED DRIVERS OVERWHELMINGLY SUPPORT PROPOSITION 22

By a 4:1 margin, surveys show app-based drivers want to work as independent contractors. Eighty percent work under 20 hours per week, and a majority work under 10 hours per week. Parents who need flexible work around kids' schedules, people in need of extra income, families caring for sick or aging loved ones, and students earning around classes.

But the politicians and special interests behind the opposition to Prop. 22 cynically claim they know what's best for drivers. They passed state legislation that threatens to *make it illegal* for drivers to work as independent contractors.

That's why drivers support Prop. 22—to protect their flexible earning opportunities and *save hundreds of thousands of jobs*.

PROP. 22 SAVES APP-BASED JOBS & SERVICES

Prop. 22 protects drivers' choice to work as independent contractors. Prop. 22 preserves delivery services that millions rely on for safe access to food and groceries and rideshare that improves mobility and keeps drunk drivers off our roads.

PROP. 22 REQUIRES COMPANIES TO PROVIDE DRIVERS HISTORIC NEW BENEFITS

- Earnings guarantee of at least \$21 per hour.
- Health care benefits at 15 hours per week.
- Insurance for injuries on the job.
- Strengthening protections against discrimination and harassment.

PROP. 22 ADDS STRICT NEW CONSUMER SAFETY PROTECTIONS

Prop. 22 provides for: strict ongoing driver background checks • zero tolerance for drug and alcohol offenses • making it a crime to impersonate a driver.

JOIN APP-BASED DRIVERS, SOCIAL JUSTICE, SMALL BUSINESS & PUBLIC SAFETY LEADERS: YES ON 22!

[VoteYesProp22.com](http://VoteYesProp22.com)

**JIM PYATT**, President  
 Independent Drivers Alliance of California  
**FREDDYE DAVIS**, President  
 Hayward South Alameda County NAACP  
**JULIAN CANETE**, President  
 California Hispanic Chambers of Commerce

PROPOSITION **ESTABLISHES STATE REQUIREMENTS FOR KIDNEY DIALYSIS**  
**23** **CLINICS. REQUIRES ON-SITE MEDICAL PROFESSIONAL.**  
**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 [voterguide.sos.ca.gov](http://voterguide.sos.ca.gov).

- Requires at least one licensed physician on site during treatment at outpatient kidney dialysis clinics; authorizes California Department of Public Health to exempt clinics from this requirement if there is a shortage of qualified licensed physicians and the clinic has at least one nurse practitioner or physician assistant on site.
- Requires clinics to report dialysis-related infection data to state and federal governments.
- Prohibits clinics from closing or reducing services without state approval.
- 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:**

- Increased state and local government costs likely in the low tens of millions of dollars annually.

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 the kidneys no longer work well enough for the person to live without a kidney transplant or ongoing treatment called "dialysis."

**Dialysis Mimics Normal Kidney Functions.** Dialysis artificially mimics what healthy kidneys do. Most people on dialysis undergo hemodialysis. This form of dialysis removes blood from the body, filters it through a machine to remove waste and extra fluid, and then returns it to the body. A single treatment lasts about four hours and happens about three times per week.

**Most Dialysis Patients Receive Treatment in Clinics.** Most people with kidney failure receive dialysis at chronic dialysis clinics (CDCs), although some may receive dialysis at hospitals or in their own homes. About 600 licensed CDCs in California provide dialysis to roughly 80,000 patients each

month. Given how often patients need dialysis and how long treatments last, clinics often offer services six days per week and often are open outside of typical business operating hours.

**Patients' Own Doctors Oversee Treatment.** When a patient has kidney failure, the patient's doctor develops a plan of care, which could include a referral for dialysis. The patient's doctor designs the dialysis treatment plan, including specific aspects such as frequency, duration, and associated medicines. CDCs carry out the treatment. The patient's doctor continues to oversee the patient's care. Under federal rules, the doctor must visit the patient during dialysis treatment at the CDC at least once per month.

**Various Entities Own and Operate CDCs, With Two Entities Owning/Operating the Vast Majority of Them.** Two private for-profit companies—DaVita, Inc. and Fresenius Medical Care—are the "governing entity" of nearly three-quarters of licensed CDCs in California. (The measure refers to the governing entity as the entity that owns or operates the CDC.) The remaining CDCs are owned and operated by a variety of nonprofit and for-profit governing entities. Most of these other governing entities have multiple CDCs in California, while a small number own or operate



**ANALYSIS BY THE LEGISLATIVE ANALYST**

CONTINUED

a single CDC. Currently, the majority of CDCs’ earnings exceed costs, while a smaller share of CDCs operate at a loss. A governing entity that owns or operates multiple CDCs can use its higher-earning CDCs to help support its CDCs that operate at a loss.

**PAYING FOR DIALYSIS**

**Payment for Dialysis Comes From a Few Main Sources.** We estimate that CDCs have total revenues of more than \$3 billion annually from their operations in California. These revenues consist of payments for dialysis from a few main sources, or “payers”:

- **Medicare.** This federally funded program provides health coverage to most people ages 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 federal governments 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 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.
- **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). Other people purchase health insurance individually. 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.

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.

**Group and Individual Health Insurers Typically Pay Higher Rates for Dialysis Than Government Programs.** The rates that Medicare and Medi-Cal pay for a dialysis treatment are fairly close to the average cost for CDCs to provide a dialysis treatment. These rates are largely determined by regulation. In contrast, group and individual health insurers negotiate with CDCs and their governing entities to set rates. The rate agreed upon depends in large part on how many people the insurer covers and how many people the governing entity’s CDCs treat. On average, group and individual health insurers pay multiple times what government programs pay for a dialysis treatment.

**HOW CDCS ARE REGULATED**

**California Department of Public Health (CDPH) Licenses and Certifies Dialysis Clinics.** CDPH is responsible for licensing CDCs to operate in California. CDPH also certifies CDCs on behalf of the federal government, which allows CDCs to receive payment from Medicare and Medi-Cal. Currently, California relies primarily on federal regulations as the basis for its licensing program.

**Federal Regulations Require a Medical Director at Each CDC.** Federal regulations require each CDC to have a medical director who is a board-certified physician. The medical director is responsible for quality assurance, staff education and training, and development and implementation of clinic policies and procedures. Federal regulations do not require medical directors to spend a specific amount of time at the CDC; however, federal guidance indicates that the medical director’s responsibilities reflect about one-quarter of a full-time position.

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

***CDCs Must Report Infection-Related Information to a National Network.*** To receive payments from Medicare, CDCs must report specified dialysis-related infection information to the National Healthcare Safety Network at the federal Centers for Disease Control. For example, CDCs must report when a patient develops a bloodstream infection and the suspected cause of the infection.

PROPOSAL

The measure includes several provisions affecting CDCs, as discussed below. It gives duties to CDPH to implement and administer the measure, including adopting regulations within one year after the law takes effect. If CDPH cannot meet that deadline, it can issue emergency regulations as it completes the regular process.

***Requires Each CDC to Have a Doctor On-site During All Treatment Hours.*** The measure requires each CDC to maintain, at its expense, at least one doctor on-site during all the hours patients receive treatments at that CDC. The doctor is responsible for patient safety and the provision and quality of medical care. A CDC may request an exception from CDPH if there is a valid shortage of doctors in the CDC’s area. If CDPH approves the exception, the CDC can meet the requirement with a nurse practitioner or physician’s assistant, rather than a doctor. The exception lasts for one year.

***Requires CDCs to Report Infection-Related Information to CDPH.*** The measure requires each CDC—or its governing entity—to report dialysis-related infection information to CDPH every three months. CDPH must specify which information CDCs should report, and how and when to report the information. CDPH must post each CDC’s infection information on the CDPH website, including the name of a CDC’s governing entity.

***Charges Penalties if CDCs Fail to Report Infection-Related Information.*** If a CDC or its governing entity does not report infection information or if the information is inaccurate, CDPH may issue

a penalty against the CDC. The penalty could be up to \$100,000 depending on how severe the violation is. The CDC may request a hearing if it disputes the penalty. Any penalties collected would be used by CDPH to implement and enforce laws concerning CDCs.

***Requires CDCs to Notify and Obtain Consent From CDPH Before Closing or Substantially Reducing Services.*** If a CDC plans to close or significantly reduce its services, the measure requires the CDC or its governing entity to notify CDPH in writing and obtain CDPH’s written consent. The measure allows CDPH to determine whether or not to consent. It allows CDPH to base its decision on such information as the CDC’s financial resources and the CDC’s plan for ensuring patients have uninterrupted dialysis care. A CDC may dispute CDPH’s decision by requesting a hearing.

***Prohibits CDCs From Refusing Care to a Patient Based on Who Is Paying for the Patient’s Treatment.*** Under the measure, CDCs and their governing entities must offer the same quality of care to all patients. They cannot refuse to offer or provide care to patients based on who pays for patients’ treatments. The payer could be the patient, a private entity, the patient’s health insurer, Medi-Cal, Medicaid, or Medicare.

FISCAL EFFECTS

INCREASED COSTS FOR DIALYSIS CLINICS AFFECT STATE AND LOCAL COSTS

***How the Measure Increases Costs for CDCs.*** Overall, the measure’s provisions would increase costs for CDCs. In particular, the measure’s requirement that each CDC have a doctor on-site during all treatment hours would increase each CDC’s costs by several hundred thousand dollars annually on average. Other requirements of the measure would not significantly increase CDC costs.

***Clinics Could Respond to Higher Costs in Different Ways.*** The cost to have a doctor on-site would affect individual CDCs differently depending on their finances. Most CDCs operate under a

**ANALYSIS BY THE LEGISLATIVE ANALYST**

CONTINUED

governing entity that owns/operates multiple CDCs so the governing entity could spread costs across multiple locations. Governing entities might respond in one or more of the following ways:

- **Negotiate Increased Rates With Payers.** First, governing entities might try to negotiate higher rates from the entities that pay for the dialysis treatment to cover some of the costs imposed by the measure. Specifically, governing entities may be able to negotiate higher rates with private commercial insurance companies and to a lesser extent with Medi-Cal managed care plans.
- **Continue Current Operations, but With Lower Profits.** For some governing entities, the higher costs due to the measure could reduce their profits, but they could continue to operate at current levels without closing clinics.
- **Close Some Clinics.** Given the higher costs due to the measure, some governing entities, particularly those with fewer clinics, may decide to close some clinics.

**Measure Could Increase Health Care Costs for State and Local Governments by Low Tens of Millions of Dollars Annually.** Under the measure, state Medi-Cal costs, and state and local employee and retiree health insurance costs could increase due to:

- Governing entities negotiating higher payment rates.
- Patients requiring treatment in more costly settings like hospitals (due to fewer CDCs).

Overall, the most likely scenario is that CDCs and their governing entities generally would: (1) be able to negotiate with some payers to receive higher payment rates to cover some of the new costs imposed by the measure, and (2) continue

to operate (with reduced income), with relatively limited individual CDC closures. **This scenario would lead to increased costs for state and local governments likely in the low tens of millions of dollars annually.** This represents a minor increase in the state’s total spending on Medi-Cal and state and local governments’ total spending on employee and retiree health coverage. This cost represents less than 1 percent of state General Fund spending. In the less likely event that a more significant number of CDCs closed, state and local governments could have additional costs in the short run. These additional costs could be significant, but are highly uncertain.

**INCREASED ADMINISTRATIVE COSTS FOR CDPH COVERED BY CDC FEES**

The measure imposes new regulatory responsibilities on CDPH. **The annual cost of 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 to cover these costs.

Visit <http://cal-access.sos.ca.gov/campaign/measures/> for a list of committees primarily formed to support or oppose this measure.

Visit <http://www.fppc.ca.gov/transparency/top-contributors.html> to access the committee’s top 10 contributors.

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

★ ARGUMENT IN FAVOR OF PROPOSITION 23 ★

Life-Saving Changes for Dialysis Patients

Three times each and every week, 80,000 Californians with End Stage Renal Disease go to one of more than 600 commercial dialysis centers in the state where they spend three to four hours connected to a machine that removes their blood, cleans it, and returns it to their bodies. Dialysis literally is what keeps them alive, and they must continue the treatment for the rest of their lives or until they receive a kidney transplant.

Because the lives of these fellow Californians are so dependent on dialysis that is done both safely and effectively, we give our absolute support to the *Protect the Lives of Dialysis Patients Act*, an initiative appearing on the Nov. 3 ballot. This initiative will make common-sense improvements to dialysis treatment that will protect some of the most medically vulnerable people in our society.

The initiative does four major things:

*First*, it requires a physician or nurse practitioner to be in the clinic any time patients are being treated, which is not currently required. Dialysis is a dangerous procedure, and if something goes wrong, a doctor or highly trained nurse should be nearby.

*Second*, dialysis patients are prone to infections from their treatments that can lead to more serious illnesses or even death. This initiative requires clinics to report accurate data on infections to the state and federal governments so problems can be identified and solved to protect patients.

*Third*, like all other life-saving health care facilities, the initiative says the dialysis corporations cannot close clinics or

reduce their services unless approved by the state. This also is designed to protect patients, particularly in rural communities, to make sure they have access to dialysis treatment, and to stop the dialysis corporations from using closures to pad their bottom line.

*Fourth*, it prohibits clinics from discriminating against patients because of the type of insurance they have, and it protects patients in every clinic. No matter if they are located in a wealthy neighborhood or a poor, rural, Black or Brown community, all clinics will be required to have a doctor or nurse practitioner on site, all clinics will be required to report their infection rates to the state and federal governments, and all dialysis corporations will be prohibited from discriminating against patients because of the type of insurance they have.

Don't listen when the dialysis industry claims the initiative will create huge new costs or say patients will be harmed or claim that it will create a shortage of doctors—those fake arguments are just designed to use patients and the coronavirus pandemic as scare tactics in their dishonest public relations campaign. The fact is, these corporations can easily make these changes and still make hundreds of millions of dollars a year without disrupting our healthcare system.

Proposition 23 will make the changes we need to truly protect dialysis patients. We urge you to vote YES!

**MEGALLAN HANDFORD**, Dialysis Registered Nurse

**PASTOR WILLIAM D. SMART, JR.**

Southern Christian Leadership Conference of Southern California

**CARMEN CARTAGENA**, Dialysis Patient

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 23 ★

Proposition 23 is a DANGEROUS, COSTLY MEASURE funded by one special interest group with no expertise in dialysis. More than 100 leading organizations strongly urge: NO on 23.

• AMERICAN NURSES ASSOCIATION\CALIFORNIA WARNS PROP. 23 IS DANGEROUS: "Nearly 80,000 Californians with kidney failure rely on dialysis to survive. Prop. 23 adds unnecessary, costly requirements that could shut down hundreds of dialysis clinics—dangerously reducing access to care and putting tens of thousands of vulnerable patients at serious risk."

• CALIFORNIA MEDICAL ASSOCIATION URGES NO ON PROP. 23: "Proposition 23 would take thousands of doctors away from hospitals and clinics—where they're needed—and place them into bureaucratic jobs at dialysis clinics where they aren't. Prop. 23 worsens our physician shortage and would make us all wait longer to see our doctors."

• DIALYSIS PATIENT CITIZENS, A PATIENT ADVOCACY ORGANIZATION REPRESENTING 28,000 PATIENTS: "Prop. 23 threatens access to care, putting dialysis patients at greater risk of death for missed treatments."

• NAACP CALIFORNIA: "Kidney disease disproportionately affects people of color. Prop. 23 hurts minority patients and those in disadvantaged communities the most."

• CALIFORNIA TAXPAYER PROTECTION COMMITTEE: "Prop. 23 would increase health care costs by \$320,000,000 annually. This massive increase would hurt Californians already struggling financially."

PROP. 23 MAKES NO SENSE

Each dialysis patient is already under the care of their own kidney doctor. And dialysis treatments are administered by specially-trained dialysis nurses and technicians. Furthermore, the federal and state governments extensively regulate dialysis clinics and California clinics outperform other states in clinical quality.

JOIN DOCTORS, NURSES, SOCIAL JUSTICE & PATIENT ADVOCATES: NO ON 23!

[www.NoProposition23.com](http://www.NoProposition23.com)

**MARKETA HOUSKOVA, DNP, RN**, Executive Director American Nurses Association\California

**DEWAYNE COX**, Kidney Dialysis Patient

**PETER N. BRETAN, MD**, President California Medical Association



★ **ARGUMENT AGAINST PROPOSITION 23** ★

**NURSES, DOCTORS AND PATIENTS URGE NO ON 23—THE DANGEROUS AND COSTLY DIALYSIS PROPOSITION**

Nearly 80,000 Californians with failed kidneys receive dialysis treatment three days a week to stay alive. Dialysis treatment does the job of the kidneys by removing toxins from the body. Missing a single treatment increases patient risk of death by 30%.

Prop. 23 seriously jeopardizes access to care for tens of thousands of Californians who need dialysis to stay alive. That's why the American Nurses Association\California, California Medical Association and patient advocates OPPOSE Prop. 23.

**PROP. 23 WOULD FORCE COMMUNITY DIALYSIS CLINICS TO CUT SERVICES AND CLOSE—PUTTING LIVES AT RISK**

Proposition 23 would force dialysis clinics to have a physician administrator on-site at all times, even though they would not care for patients. Each dialysis patient is already under the care of their personal kidney physician and dialysis treatments are administered by specially trained and experienced dialysis nurses and technicians.

This useless bureaucratic mandate would increase clinic costs by hundreds of millions annually, putting half of all clinics at risk of closure.

“Prop. 23 dangerously reduces access to care, putting vulnerable dialysis patients at serious risk.”

—*Marketa Houskova, Doctor of Nursing Practice, RN, American Nurses Association\California*

**PROP. 23 WOULD MAKE OUR PHYSICIAN SHORTAGE WORSE AND LEAD TO MORE EMERGENCY ROOM OVERCROWDING**

“Proposition 23 would take thousands of doctors away from hospitals and clinics—where they're needed—and place them into bureaucratic jobs at dialysis clinics where they aren't. This is not the time to make our physician shortage worse.”

—*Dr. Peter N. Bretan, MD, President, California Medical Association*

Emergency room doctors strongly oppose Prop. 23. It would

force dialysis clinics to close—sending tens of thousands of vulnerable patients to emergency rooms, creating longer ER waits and reducing capacity to deal with serious emergencies. **PROP. 23 WOULD INCREASE HEALTH CARE COSTS BY HUNDREDS OF MILLIONS**

According to a study by the Berkeley Research Group, Prop. 23 would increase health care costs by \$320 million annually. This massive increase would be especially damaging when so many Californians struggle financially.

**DIALYSIS CLINICS ARE STRICTLY REGULATED AND PROVIDE HIGH QUALITY CARE**

The federal and state governments extensively regulate dialysis clinics. According to the federal Centers for Medicare & Medicaid Services, California dialysis clinics outperform other states in clinical quality and patient satisfaction.

“Every dialysis patient is under the care of a physician kidney specialist, and dialysis treatments are administered by specially-trained nurses and technicians. It makes no sense to require physician administrators on-site full-time.”

—*Dr. Jeffrey A. Perlmutter, MD, President, Renal Physicians Association, representing 3,500 kidney doctors*

**ANOTHER SPECIAL INTEREST ABUSE OF OUR INITIATIVE SYSTEM**

The same group promoting Prop. 23 spent \$20,000,000 last election pushing a similar measure voters rejected. They're at it again, pushing another dangerous dialysis proposition.

**DOCTORS, NURSES AND PATIENT ADVOCATES: NO ON 23!**

- American Nurses Association\California
- California Medical Association
- Chronic Disease Coalition
- NAACP California
- Latino Diabetes Association
- Women Veterans Alliance
- Minority Health Institute

[www.NoProposition23.com](http://www.NoProposition23.com)

**MARKETA HOUSKOVA, DNP, RN**, Executive Director  
American Nurses Association\California

**LETICIA PEREZ**, Kidney Dialysis Patient

**PETER N. BRETAN, MD**, President  
California Medical Association

★ **REBUTTAL TO ARGUMENT AGAINST PROPOSITION 23** ★

**DIALYSIS CORPORATIONS WANT TO PROTECT THEIR PROFITS**

In 2018, the California dialysis industry spent a record \$110 million to defeat an initiative to improve conditions in dialysis clinics and protect patients from inflated billing.

Why did they spend so much? *To protect their massive \$468 million in profits in California in 2018.*

To patients, dialysis is lifesaving. But to industry executives, it's a huge money-maker, so they're at it again, stoking fear by threatening to close clinics if Prop. 23 passes and they're held accountable to higher standards. Once again they are using gravely ill dialysis patients to shield their perks and million-dollar salaries.

They claim, falsely, that the initiative will cost them huge sums of money, *based on a highly dubious “study” that THEY paid for.*

They claim doctors are against it, *but many of those doctors are on their payroll.*

They say it will cause doctor shortages and overcrowded emergency rooms, *but kidney doctors do not staff ERs.*

They say dialysis clinics are already highly regulated, *but they face far fewer inspections than other health facilities, and even so deficiencies are often uncovered.*

Prop. 23 makes commonsense improvements to protect patients' lives, like having a doctor onsite to deal with emergencies, requiring the centers to report infection data, ending discrimination against some patients based on the type of insurance they have, and requiring the state to approve any clinic closures so patients aren't left without treatment.

Once and for all, Californians can protect fragile dialysis patients by voting [YesOnProp23.com](http://YesOnProp23.com).

**EMANUEL GONZALES**, Dialysis Technician

**PASTOR WILLIAM D. SMART, JR.**

Southern Christian Leadership Conference of Southern California

**ROBERT VILLANUEVA**, Dialysis Patient

PROPOSITION **AMENDS CONSUMER PRIVACY LAWS.**  
**24** 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 [voterguide.sos.ca.gov](http://voterguide.sos.ca.gov).

- Permits consumers to: (1) prevent businesses from sharing personal information; (2) correct inaccurate personal information; and (3) limit businesses’ use of “sensitive personal information”—including precise geolocation; race; ethnicity; religion; genetic data; private communications; sexual orientation; and specified health information.
- Establishes California Privacy Protection Agency to additionally enforce and implement consumer privacy laws and impose fines.
- Changes criteria for which businesses must comply with laws.
- Prohibits businesses’ retention of personal information for longer than reasonably necessary.
- Triples maximum penalties for violations concerning consumers under age 16.
- Authorizes civil penalties for theft of consumer login information, as specified.

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

- Increased state costs of at least \$10 million annually for a new state agency to oversee and enforce consumer privacy laws.
- Increased state costs, not likely to exceed the low millions of dollars annually, for increased court and Department of Justice enforcement workload. Some or all of these costs would be paid by penalties collected for violations of consumer privacy laws.
- Unknown impact on state and local tax revenues due to economic effects resulting from new requirements on businesses to protect consumer data.

**ANALYSIS BY THE LEGISLATIVE ANALYST**

**BACKGROUND**

**BUSINESSES COLLECT AND USE CONSUMER DATA**

Businesses collect data about consumers from different sources. These include (1) public sources, (2) consumers themselves (such as when consumers create an account), or (3) other businesses (such as by purchasing data). Businesses use the data in different ways, such as to improve their sales or customer service. Businesses can also use the data to provide services to other businesses. For example, some Internet companies provide free services and collect data from consumers who use them. These companies then use the data to target ads at consumers for other businesses. Finally, businesses sometimes use data to make predictions about consumers’ views and preferences (such as their lifestyles).

**CERTAIN BUSINESSES MUST MEET CONSUMER DATA PRIVACY REQUIREMENTS**

Under state law, certain businesses that operate in California and collect personal data must meet consumer data privacy requirements. (Personal data include information such as names, Internet or purchase activity, and predictions about consumers.) These businesses generally (1) earn more than \$25 million in annual revenue; (2) buy, sell, or share the personal data of 50,000 or more consumers, households, or devices annually; or (3) earn 50 percent or more of their annual revenues from selling personal data.

Specifically, these businesses must:

- **Notify Consumers of Data Collection.** Businesses generally must tell consumers if they collect or sell personal data. They must also tell consumers how they will use the data.



## ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

- **Comply With Personal Data Privacy Rights.** State law provides consumers with certain rights that businesses must comply with. For example, consumers can request free reports on their personal data that are collected or sold by the business. Consumers can also generally tell businesses to delete their personal data (such as names or student grades and testing results). Finally, consumers can tell businesses to not sell their personal data. Businesses must tell consumers of their personal data rights.
- **Not Treat Consumers Who Make Use of Their Rights Differently.** For example, businesses cannot charge different prices or provide different levels of service to consumers who make use of their personal data rights. However, businesses can encourage consumers to allow them to collect and sell personal data, such as by providing consumers payments or discounts.

Businesses can face penalties of up to \$2,500 for each violation of these requirements. Penalties increase to up to \$7,500 for intentional violations. Penalties only may be applied if businesses fail to address the violation within 30 days of being told of the violation. Only the California Department of Justice (DOJ) can seek these penalties. Penalty revenues are generally deposited into the state's Consumer Privacy Fund (CPF). CPF revenues must first be used to pay for state trial court and DOJ costs related to certain consumer privacy laws. The Legislature can allocate any remaining funds for other purposes.

### BUSINESSES MUST MEET DATA BREACH REQUIREMENTS

A data breach occurs when people access information, such as consumer data, without permission. State law requires businesses take reasonable steps to protect consumer data from breaches. Businesses must also tell people if their data were accessed in a data breach. Breaches of certain personal data can result in penalties of \$100 to \$750 per consumer per event or actual damages—whichever is greater. A consumer

affected by such a breach can seek to collect these penalties if a business fails to address the breach within 30 days of being told to do so. DOJ may also generally seek penalties for data breaches. Some of these penalties could be deposited into the CPF.

### DOJ ENFORCES CONSUMER PRIVACY AND DATA BREACH LAWS

DOJ enforces the state's consumer privacy and data breach laws in two major ways. First, DOJ develops regulations that provide more details on how businesses and consumers must obey the laws. For example, these regulations include rules for how businesses must handle requests to not sell personal data. Second, DOJ prosecutes crimes (such as identity theft) or files lawsuits in state trial courts against those who break these laws.

## PROPOSAL

Proposition 24 (1) changes existing consumer data privacy laws, (2) provides new consumer privacy rights, (3) changes existing penalties and limits the use of penalty revenues, and (4) creates a new state agency to oversee and enforce consumer data privacy laws. If approved, most of this proposition would take effect in January 2023. Some portions of the proposition, such as the creation of the new state agency and requirements for developing new regulations, would go into effect immediately.

### CHANGES EXISTING CONSUMER DATA PRIVACY LAWS

**Changes Which Businesses Must Meet Data Privacy Requirements.** This proposition changes which businesses are required to meet state consumer data privacy requirements. These changes would generally reduce the number of businesses required to meet these requirements. For example, consumer data privacy requirements currently apply to businesses that buy, sell, or share for business purposes the personal data of 50,000 or more consumers, households, or devices annually. The proposition (1) no longer counts devices and (2) increases the annual threshold to 100,000 or more consumers or households.

## ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

### **Changes Existing Consumer Data Privacy**

**Requirements.** This proposition changes the consumer data privacy requirements that businesses must meet. In some cases, it adds new requirements. For example, the proposition requires businesses to now notify consumers of the length of time they will keep personal data. In other cases, it removes requirements. For example, businesses could refuse to delete student grades or other information under specific conditions.

### **PROVIDES NEW CONSUMER PRIVACY RIGHTS**

This proposition provides consumers with new data privacy rights. These include the right to:

- **Limit Sharing of Personal Data.** Consumers could direct businesses to not share their personal data.
- **Correct Personal Data.** Consumers could direct businesses to take reasonable efforts to correct personal data that they possess.
- **Limit Use of “Sensitive” Personal Data.** The proposition defines certain pieces of personal data as sensitive. Examples include social security numbers, account log-ins with passwords, and health data. Consumers could direct businesses to limit use of their sensitive personal data only to (1) provide requested services or goods and (2) fulfill key business purposes (such as providing customer service).

### **CHANGES EXISTING PENALTIES AND LIMITS USE OF PENALTY REVENUES**

This proposition permits a new penalty of up to \$7,500 for violations of the consumer privacy rights of minors. The proposition also eliminates the ability of businesses to avoid penalties by addressing violations within 30 days of being told of the violation. In addition, the proposition makes data breaches of email addresses along with information that would permit access to an account (such as a password) subject to penalties. The proposition also specifies that businesses which suffer a data breach because reasonable security procedures were not in place can no longer avoid

penalties by putting them in place within 30 days after the breach.

In addition, the proposition limits the Legislature’s ability to use CPF revenues for purposes other than consumer privacy. After paying for state trial court and DOJ costs each year, the proposition requires 91 percent of the remaining funds be invested by the state with any interest or earnings sent to the state General Fund. The remaining 9 percent of funds would support public education on consumer privacy and fighting fraud resulting from data breaches.

### **CREATES NEW STATE ENFORCEMENT AGENCY**

This proposition creates a new state agency, the California Privacy Protection Agency (CPPA), to oversee and enforce the state’s consumer privacy laws. CPPA would be governed by a five-member board and have a wide range of responsibilities. For example, the agency would investigate violations, assess penalties, and develop regulations. Any CPPA decision related to a complaint against a business or a penalty could be reviewed by the state trial courts. This proposition provides \$10 million annually (adjusted over time) from the state General Fund to support the agency’s operations. Some of DOJ’s current responsibilities would be shifted to CPPA, such as developing regulations. The proposition requires the development of a wide range of new regulations. For example, this includes rules for correcting consumer personal data and determining whether businesses must carry out a review of their ability to protect data. However, DOJ could still enforce consumer data privacy laws by prosecuting crimes and filing lawsuits in the state trial courts. If DOJ chooses to take such action or pursue an investigation, DOJ could direct CPPA to stop any investigations or enforcement activities the agency might be pursuing at the same time.

### **FISCAL EFFECTS**

Proposition 24 would impact state costs and state and local tax revenues. The actual size of these effects, however, is uncertain and would

## ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

depend largely on how consumers, businesses, and government respond to the proposition. For example, it is unclear how businesses would change their operations and how many violations of this proposition would be investigated and result in penalties.

**Increased State Costs for New Agency.** As discussed above, this proposition creates a new state agency to oversee and enforce consumer privacy laws. While some workload would shift from DOJ, state costs would also increase because of new or expanded workload. This proposition provides from the state General Fund at least **\$10 million annually** (adjusted over time) to support increased state costs for CPPA operations. This amount is less than 1 percent of the state's current General Fund budget. Depending on how the agency carries out its responsibilities, it is possible that CPPA's actual workload costs could be higher.

**Increased State DOJ and Court Costs.** This proposition would impact both DOJ and state court workload. DOJ workload could increase if it chooses to investigate and/or file more cases against businesses that do not meet state consumer data privacy laws. However, this workload could be partially or fully offset by reductions in workload from shifting responsibilities from DOJ to CPPA. Additionally, state court workload could increase if the proposition results in more court cases being filed. The costs of the increased workload would depend on the number of investigations started and the types of cases filed in state courts. In total, increased state costs to DOJ and trial courts are not likely to exceed the low millions of dollars annually. Some or all of these costs would be paid by increased revenue from penalties collected from businesses that violate consumer privacy laws.

**Potential Impacts on Tax Revenues.** The proposition would have various impacts on business and consumers, which could then impact state and local tax revenues. On the one hand, the proposition could reduce tax revenues. This would happen if the cost of meeting the proposition's requirements, such as to correct consumer data, reduces the profit earned by businesses. As a result, businesses would pay less in taxes to state and local governments. On the other hand, the proposition could increase tax revenues. For example, this proposition could reduce the severity or number of data breaches. If this results in businesses and consumers losing less money, tax revenues would increase if consumers then spend more on taxable items and/or businesses earn more revenue. The total net impact on the economy and state and local revenue is unknown.

Visit <http://cal-access.sos.ca.gov/campaign/measures/> for a list of committees primarily formed to support or oppose this measure.

Visit <http://www.fppc.ca.gov/transparency/top-contributors.html> to access the committee's top 10 contributors.

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

★ ARGUMENT IN FAVOR OF PROPOSITION 24 ★

The world's biggest corporations are collecting deeply personal and private information about all of us. Sadly, our current laws aren't strong enough to protect us or our families from those who would abuse our most personal information.

In 2018, the Legislature enacted the California Consumer Privacy Act. But since then, industry has repeatedly tried to weaken and limit enforcement of this law.

Consumers need stronger protections. That's why we've introduced the California Privacy Rights Act of 2020, to strengthen current privacy laws.

In addition to monitoring our kids, many corporations track us constantly, from gym to office to clinic; they know our friends, jobs, weight, where we eat and how fast we're driving, our private searches and what we look at online. They also track and sell sensitive information like our race, sexual orientation, and religion.

We believe we should be in control of our own information, and have the right to stop the use of our most sensitive personal information.

**OUR PERSONAL INFORMATION—AND OUR CHILDREN'S—IS BEING ABUSED:**

Giant corporations make billions buying and selling our personal information—apps, phones, and cars sell your location constantly. The California Privacy Rights Act gives you the power to stop businesses tracking you precisely, like selling how many times you go to the gym or fast food restaurants to health insurers—without your knowledge or permission.

Worse, these corporations don't keep your information safe. In 2018, there were a whopping 1,244,000,000 data breaches in the U.S., with over 446,000,000 records exposed, leading to massive identity theft. This measure holds big businesses accountable by imposing huge fines if they're negligent and don't keep your or your kids' health information, or Social Security numbers safe.

**THE CALIFORNIA PRIVACY RIGHTS ACT WOULD:**

1. PROTECT YOUR MOST PERSONAL INFORMATION, by allowing you to prevent businesses from using or sharing sensitive information about your health, finances, race, ethnicity, and precise location;
  2. Safeguard young people, TRIPLING FINES for violations involving children's information;
  3. Put new limits on companies' collection and use of our personal information;
  4. Establish an enforcement arm—the California Privacy Protection Agency—to defend these rights and hold companies accountable, and extend enforcement including IMPOSING PENALTIES FOR NEGLIGENCE resulting in theft of consumers' emails and passwords.
  5. MAKE IT MUCH HARDER TO WEAKEN PRIVACY in California in the future, by preventing special interests and politicians from undermining Californians' privacy rights, while allowing the Legislature to amend the law to further the primary goal of strengthening consumer privacy to better protect you and your children, such as opt-in for use of data, further protections for uniquely vulnerable minors, and greater power for individuals to hold violators accountable.
- VOTE YES ON PROP. 24 TO SUPPORT THE CALIFORNIA PRIVACY RIGHTS ACT:

California led the nation in enacting privacy rights, but big corporations are spending millions lobbying to weaken our laws. Instead, we need to make California privacy laws stronger. We need to safeguard our privacy protections, and hold corporations accountable when they violate our fundamental rights.

For more information, visit: [www.caprivacy.org](http://www.caprivacy.org). Please join us and VOTE YES ON PROP. 24.

**JAMES P. STEYER**, CEO  
Common Sense Media

**ALICE A. HUFFMAN**, President  
California NAACP

**CELINE MACTAGGART**, Director  
Californians for Consumer Privacy

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 24 ★

We work every day to protect the rights of all Californians. We OPPOSE Proposition 24 because it stacks the deck in favor of big tech corporations and reduces your privacy rights.

If Proposition 24 REALLY strengthened privacy protections, we'd fight for it. But the truth is, its 52 pages are full of giveaways to social media and tech giants.

Proposition 24's funder hopes you won't read its fine print. If you do, you'll see it reduces your rights under current law, giving big tech businesses new ways to collect your private information, like data from health and financial apps, and tracking where you go.

Proposition 24 asks you to approve "pay for privacy," letting companies charge more to safeguard your personal information. It's hard enough for financially strapped Californians to access high-speed internet for essential services, healthcare, and school during a pandemic. Pay for privacy has racially discriminatory impacts, disproportionately pricing out working people, seniors, and

Black and Latino families. All Californians deserve privacy, not just the wealthy.

Proposition 24 restricts Californians from enforcing your own privacy rights in court. It wants you to trust a brand new state agency, created during a budget crunch, to protect your rights.

Proposition 24 was written behind closed doors with input from the same tech companies with histories of profiting off of your personal information in unfair and discriminatory ways. It puts more power in the hands of tech companies like Facebook that already have too much power. It protects big tech business, not people. Vote NO on Proposition 24.

**KEVIN BAKER**, Director  
Center for Advocacy and Policy, American Civil Liberties Union (ACLU) of California

**NAN BRASMER**, President  
California Alliance for Retired Americans

**JOHN MATHIAS**, Deputy Senior Campaign Director  
Color of Change



★ ARGUMENT AGAINST PROPOSITION 24 ★

Vote NO on Proposition 24 because it was written behind closed doors with input from giant tech corporations that collect and misuse our personal information—while the measure’s sponsor rejected almost every suggestion from 11 privacy and consumer rights groups. Proposition 24 reduces privacy protections by severely weakening your rights under current California law.

Make no mistake—the privacy of every Californian is at stake!

The real winners with Proposition 24 are the biggest social media platforms, giant tech companies and credit reporting corporations who get more freedom to invade the privacy of workers and consumers, and to continue sharing your credit data. Here’s what they won’t tell you about the 52 pages of fine print:

Proposition 24 asks you to approve an Internet “pay for privacy” scheme. Those who don’t pay more could get inferior service—bad connections, slower downloads and more pop up ads. It’s an electronic version of freeway express lanes for the wealthy and traffic jams for everyone else.

Currently, employers can obtain all kinds of personal information about their workers and even job applicants, including things like using a pregnancy tracking app, where you go to worship or if you attend a political protest. Proposition 24 allows employers to continue secretly gathering this information for more years to come, overriding a new law that lets workers know what sensitive private information their bosses have beginning January 1, 2021.

Under California law, your privacy rights follow you wherever you go. But with Proposition 24, the minute you travel out of state with a phone, wearable device, or computer, big tech companies are allowed to capture the health, financial,

and other confidential information you stored on your device.

You can set web browsers and cell phones to send a signal to each website you visit and app you use to stop selling your personal data, so you don’t have to think about it each time. Proposition 24 would allow companies to disregard those instructions and shift the burden to you to notify each and every website and app individually to protect your data. Proposition 24’s new enforcement agency sounds good, but when tech corporations get caught violating your privacy, all they have to do is cooperate with the agency and their only penalty could be a slap on the wrist.

California’s new privacy law just took effect this year. Smaller businesses spent a lot of money to comply with the new regulations. Before we even know how this new law is working, Proposition 24 rewrites it, forcing smaller businesses to absorb even more costs at a time that the economic slowdown has many businesses on the verge of closing their doors.

Proposition 24 was written to accommodate big social media platforms and the Internet and technology companies that spend tens of millions of dollars a year to lobby government at all levels to avoid laws that hurt their profits. Proposition 24 is a bonanza for them—and a big step back for consumer privacy. Please Vote NO on Proposition 24.

[www.CaliforniansForRealPrivacy.org](http://www.CaliforniansForRealPrivacy.org)

**TRACY ROSENBERG**, President  
Californians for Privacy Now

**RICHARD HOLOBER**, President  
Consumer Federation of California

**DOLORES HUERTA**, Labor and Civil Rights Leader

★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 24 ★

COMMUNITY LEADERS SUPPORT PROP. 24

Prop. 24 allows the Legislature to pass stronger privacy laws, including stricter prohibitions on companies treating consumers differently for their privacy choices.

YES ON 24 TO STOP ATTEMPTS TO WEAKEN PRIVACY

“I have witnessed many attempts to weaken California’s privacy laws by deceptively named groups. Prop. 24 protects sensitive personal information, children’s privacy, and helps stop identity theft. It’s even stronger than the California Consumer Privacy Act. Please vote YES on Prop. 24.”—*Senator Robert M. Hertzberg, Joint Author, California Consumer Privacy Act*

YES ON 24 TO SUPPORT ECONOMIC FAIRNESS

“Monopolies like Facebook and Google make enormous profits by using your private information to manipulate what you see online. Vote YES on PROP. 24, to take back control over your most valuable commodity: your personal information.”—*Paul Romer, Nobel Prize Winner in Economics*

YES ON 24 TO STOP RACIAL PROFILING ONLINE

“Prop. 24 allows consumers to stop companies from using online racial profiling to discriminate against them.”—*Alice Huffman, President, California NAACP*

YES ON 24 TO PROTECT HEALTH DATA

“Stop businesses using your most personal health information without your permission. Vote yes on Prop. 24.”—*Brad Jacobs, MD, Past Chair, Academy of Integrative Health & Medicine*

YES ON 24 TO STRENGTHEN CALIFORNIA PRIVACY LAWS

“We are pleased that the California Privacy Rights Act would close loopholes, strengthen enforcement, and help prevent the Legislature from weakening the measure.”—*Maureen Mahoney, PhD, Consumer Reports*

YES ON 24 TO PROTECT KIDS ONLINE

“Kids are spending so much time online this year! Protect them by voting YES on Prop. 24, which triples fines for violating children’s privacy.”—*Alex Traverso, President, Theodore Judah PTA*

**JAMES P. STEYER**, CEO  
Common Sense Media

**ALICE A. HUFFMAN**, President  
California NAACP

**CELINE MACTAGGART**, Director  
Californians for Consumer Privacy



PROPOSITION  
**25** REFERENDUM ON LAW THAT REPLACED  
MONEY BAIL WITH SYSTEM BASED ON  
PUBLIC SAFETY AND FLIGHT RISK.

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 [voterguide.sos.ca.gov](http://voterguide.sos.ca.gov).

A "Yes" vote approves, and a "No" vote rejects, a 2018 law that:

- Replaced the money bail system (for obtaining release from jail before trial) with a system based on a determination of public safety and flight risk.
- Limits detention of a person in jail before trial for most misdemeanors.

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

- Increased state and local costs possibly in the mid hundreds of millions of dollars annually for a new process for releasing people from jail prior to trial. Unclear whether some of the increased state costs would be offset by local funds currently spent on this type of workload.
- Decreased county jail costs possibly in the high tens of millions of dollars annually.
- Unknown net impact on state and local tax revenues generally related to people spending money on goods rather than paying for release from jail prior to trial.

ANALYSIS BY THE LEGISLATIVE ANALYST

**BACKGROUND**

**RELEASE FROM JAIL BEFORE TRIAL CAN OCCUR IN TWO WAYS**

**Placement in Jail After Arrest.** People charged with a crime must attend various trial court proceedings before the actual case can be heard in trial court. The first court proceeding—also known as arraignment—involves the court telling people of the charges filed against them and appointing an attorney if needed. Some people who are arrested are taken to county jail before arraignment. County sheriffs running the jail can choose to release the person immediately or place the person in the jail.

**Release From Jail Before Trial.** Under the State Constitution, people arrested and placed into county jail—except for certain felony crimes—have the right to release before trial. The Constitution specifies that these people shall be released under conditions that are not excessive. When making decisions related to releasing a person before trial, trial courts must consider the (1) seriousness of the crime the person is accused of, (2) person's prior criminal record, and (3) likelihood of the person appearing in court. The courts may use different pieces of information, including risk assessment

tools (discussed in more detail below), to help make these decisions.

Under state law, people generally are released from jail before trial in one of two ways:

- **Own Recognizance.** Trial courts can release people on their "own recognizance" (OR), which generally refers to a person's promise to appear at future required court proceedings. County sheriffs running jails can also release people on OR under certain conditions.
- **Bail.** People can be released on bail. Bail generally refers to a financial guarantee that a person will appear in court as required.

**Pretrial Risk Assessment Tools.** To help with decisions about whether to release people prior to trial, most courts and counties use tools to assess the risk (or likelihood) that a person released will commit a new crime or fail to appear in court. These tools were developed based on research that shows people with certain traits (such as being younger) are more likely to commit a new crime or fail to appear in court. The tools assign points based on people's traits. For example, one tool assigns more points to people who are younger than 22 years of age as they are more likely to commit crimes than older people. Similarly, people who failed to appear in court multiple times in

**ANALYSIS BY THE LEGISLATIVE ANALYST**

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the past are less likely to appear in the future and would receive more points. A person’s risk level is determined by the total number of points received. This risk level is then used to help decide if the person should be released and under what conditions.

**RELEASE ON BAIL**

**Bail Amount Determined by Each Trial Court.** State law requires that the trial court in each county adopt a bail schedule. This schedule lists the amount of bail needed for release for each crime. Bail schedules generally vary by county but require more bail for more serious crimes. For example, the current Los Angeles County bail schedule requires \$20,000 for forgery and \$250,000 for arson of a home.

**Bail Provided in Two Ways.** These ways are:

- **Provided by Person to Court.** A person can provide cash, property, or other items to the trial court that equals the amount of bail required for release. This is generally returned if the person appears in court as required.
- **Provided by Bail Agent.** A person can pay a nonrefundable fee to a bail agent to buy a bail bond that is backed by an insurance company. This fee is typically no more than 10 percent of the person’s bail amount. By providing the bond, the bail agent agrees to pay the full bail amount if the person does not appear in court as required. If this happens, the bail agent can seek repayment from the person.

**Failure to Appear Rarely Results in Payment of Full Bail Amount.** If a person does not appear in court as required, the court can decide that bail is owed. State law defines when the full bail amount must be paid. For example, bail is not paid if the person is returned to custody by law enforcement or by bail recovery staff (sometimes called “bounty hunters”) within 180 days of the court’s decision. Bail is also not paid in other cases, such as if the court fails to properly notify the insurance company that bail must be paid. As a result, bail is actually paid in only a small number of cases. Counties and cities receive this paid bail.

**Bail Bond Industry Regulated by State.** This includes licensing about 2,500 bail agents and monitoring

the fee charged for a bail bond set by about 20 insurance companies that back such bonds. The state also investigates and can administratively address complaints against bail agents and insurance companies. Additionally, the state works with local governments to prosecute criminal violations by bail agents and insurance companies in the courts. The state charges fees to help support regulation costs.

In 2018, the bail industry issued about \$6 billion in bail bonds and collected about \$560 million in bail bond fees. Insurance companies are required to pay a 2.4 percent state insurance tax on these fees—about \$13 million in 2018.

**RELEASE FROM JAIL CAN OCCUR AT DIFFERENT TIMES BEFORE TRIAL**

**Release Process Before Arraignment.** People can generally be released from jail before arraignment after providing bail as listed in the bail schedule for certain crimes. In some counties, trial courts can allow other entities (such as county probation departments) to release certain people on OR before arraignment. These people can be required to obey certain conditions (such as regularly checking in with county probation staff). Those who do not provide bail or are not released on OR are detained until arraignment.

**Release Process After Arraignment.** At arraignment, the court decides whether to (1) hold people in jail, (2) change the amount of bail required for release, or (3) release the person on OR. People who are not released on OR and unable to provide the required bail generally are held in county jail. The court can require those who are released to obey certain conditions. In some cases, people are charged fees related to pretrial release. For example, a person may be charged for the cost of electronic monitoring, which may be a condition ordered by the court. The court can modify these decisions until trial or until the case is otherwise resolved.

**PASSAGE OF NEW BAIL AND PRETRIAL LAW IN 2018**

In 2018, the Legislature passed and the Governor signed a law—Senate Bill (SB) 10—to eliminate bail and change the processes for getting released from jail before trial. This law would have gone into

ANALYSIS BY THE LEGISLATIVE ANALYST

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effect on October 1, 2019. However, this did not happen because a referendum on SB 10 qualified for this ballot in January 2019. Under the State Constitution, when a referendum on a new state law qualifies for the ballot, the law goes on hold until voters determine whether to put it in effect.

PROPOSAL

Determines Whether New Bail and Pretrial Law Goes Into Effect. Proposition 25 is a referendum on SB 10 and will determine whether the bill will go into effect. A “yes” vote means SB 10 will go into effect and a “no” vote rejects SB 10. Specifically, approval of this proposition would (1) eliminate release on bail, (2) create a new process for release before arraignment, and (3) change the existing process for release at arraignment.

ELIMINATES RELEASE ON BAIL

Proposition 25 eliminates release from county jail on bail before trial.

CREATES NEW PROCESS FOR RELEASE BEFORE ARRAIGNMENT

Require Automatic Release for Most Misdemeanor Crimes. This proposition requires people placed in county jail for most misdemeanors, which are less serious crimes than felonies, to be automatically released within 12 hours of being placed in jail. Certain people placed in jail for misdemeanors, such as those placed in jail for domestic violence or who have failed to appear in court more than two times in the past year, would not be automatically released.

Release for Felonies and Some Misdemeanors Require Assessment. This proposition requires that people placed in jail for (1) felonies and (2) misdemeanors that are ineligible for automatic release be assessed for their risk of committing a new crime or failing to appear in court if released. Assessment staff would collect certain information, including each person’s risk level as determined by a pretrial risk assessment tool. Staff would generally be required to release people found to be low risk. Depending on rules made by each trial court, certain medium-

risk people would also be released by assessment staff or by a judge. People who are released could be required to obey certain conditions. These conditions could include supervision, such as regular check-ins with county probation staff or electronic monitoring. However, the conditions of low-risk people could not include supervision. The court could change the conditions for good cause. Unlike current law, no fees could be charged as a condition of release. High-risk people, medium-risk people who are not released, and certain others (such as those charged with certain severe felonies, including murder or arson of a home) would remain in county jail until arraignment. Assessment and any release would need to be completed no later than 36 hours from a person being placed in jail.

Trial Courts Responsible for Pretrial Assessment.

Proposition 25 makes state trial courts responsible for pretrial assessment. This includes various activities, such as: (1) determining risk levels using pretrial risk assessment tools, (2) collecting additional information related to a person’s risk, (3) releasing certain people based on their risk level, and (4) suggesting conditions of pretrial release to the court. The trial court could use court employees as assessment staff or contract with certain local public agencies (such as the county probation department) to perform these activities. If neither the court nor an existing local public agency would be willing or able to do so, the court could contract with a new local public agency created specifically to perform these activities.

CHANGES PROCESS FOR RELEASE AT ARRAIGNMENT

At arraignment, people in jail would generally be released on OR. District attorneys could request a hearing to detain people in jail until trial regardless of whether they were previously released. People would only be detained in certain circumstances—such as if the court decided there were no conditions that could ensure they would not commit a crime or fail to appear in court. Those released could be required to follow certain conditions but could not be charged fees as a condition of release. After arraignment, the district attorney or public defender could request a detention hearing in certain circumstances, such as if there was new evidence in the case. The

**ANALYSIS BY THE LEGISLATIVE ANALYST**

CONTINUED

court could modify OR decisions and conditions of release in certain circumstances, such as if new information was provided by pretrial assessment staff.

**FISCAL EFFECTS**

Proposition 25 would impact both state and local costs. The actual size of these effects is uncertain and would depend on how the proposition is interpreted and implemented. For example, it is unclear how many people the courts would release pretrial and the conditions they would be required to follow. As such, the effects could be higher or lower than the estimates below.

**Increased State and Local Pretrial Release Costs.**

The new pretrial release process would increase workload for state trial courts, as well as county district attorneys and public defenders. For example, there would be workload related to the new detention hearings. This increase in workload could be offset by reductions in other workload. For example, workload from hearings about the amount of bail required would be eliminated.

Additionally, state costs would increase as the state trial courts would be responsible for pretrial assessment. The state would also likely have increased supervision costs, such as due to an increase in the number of people being supervised after being released pretrial.

In total, **increased state and local pretrial costs could be in the mid hundreds of millions of dollars annually.**

This amount is less than 1 percent of the state’s current General Fund budget. The actual size of the increase in costs would depend on various factors. Major factors include the number of people released pretrial, their conditions of release (such as how much supervision is required), and the costs of these conditions. It is unclear whether some of the increased state costs would be offset by existing local government spending on pretrial workload.

**Decreased County Jail Costs.** This proposition would reduce county jail populations. This is largely because more people would likely be released

pretrial on OR rather than remain in jail. For example, some people who would have been unable to pay bail would be released under the new pretrial process. However, some of this decline in the jail population could be offset by other factors. For example, some people—who otherwise would have been released on bail—could end up being detained until trial. On net, we estimate that the reduction in the jail population would reduce costs to local county jails, possibly in the high tens of millions of dollars annually. The actual decrease would depend on the number of people placed into jail as well as release decisions made by the courts. These resources would likely be redirected to other county activities.

**Impact on State and Local Tax Revenues.** This proposition would impact both state and local tax revenues. On the one hand, it would reduce state and local tax revenues. For example, insurance companies would no longer pay taxes on bail bond fees. On the other hand, state and local tax revenues could increase. For example, people could buy goods with money that would have otherwise been spent on bail bond fees. If these goods were subject to sales taxes, this would increase both state and local tax revenues. The total net impact on state and local tax revenues is unknown.

Visit <http://cal-access.sos.ca.gov/campaign/measures/> for a list of committees primarily formed to support or oppose this measure.

Visit <http://www.fppc.ca.gov/transparency/top-contributors.html> to access the committee’s top 10 contributors.

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



★ ARGUMENT IN FAVOR OF PROPOSITION 25 ★

Now is the time to replace California’s money bail system with one based on safety and fairness.

End money bail. Vote YES on Proposition 25 for a safer, fairer and less costly system.

MONEY BAIL IS UNFAIR:

Under the current money bail system, if you can afford to pay bail, you go free until your trial. If you can’t afford bail, you must stay in jail. So, the rich can go free, even when accused of serious violent crimes, while the poor stay in jail even when innocent or accused of low-level nonviolent offenses. Money bail doesn’t make us safer, and it results in gross injustice.

Just one example, senior citizen Kenneth Humphrey was accused of stealing \$5 and a bottle of cologne. He was forced to wait in jail nearly a year before his court date, not because he was dangerous, but because he couldn’t pay bail. A California appellate court ruled Mr. Humphrey was “imprisoned solely due to poverty.” Unfortunately, there are thousands of these stories.

MONEY BAIL IS UNSAFE:

Proposition 25 means decisions will be based on risk to our safety, not a person’s ability to pay. Judges will determine whether a person poses a risk of committing new crimes or fleeing when deciding who is held pretrial—decisions won’t be made based on the size of the person’s wallet.

Proposition 25 makes our communities safer by ensuring jail space is reserved for those who are actually dangerous and shouldn’t be released, instead of the poor.

MONEY BAIL IS COSTLY:

Proposition 25 will save taxpayers tens of millions of dollars a year. Under the current system, approximately 46,000 Californians await trial or sentencing in local jails because they can’t afford money bail, costing taxpayers \$5 million every day.

Let’s end money bail. Vote YES on Proposition 25 for a SAFER, FAIRER, LESS COSTLY system.

INNOCENT PEOPLE SUFFER:

The money bail system can force innocent people to plead guilty to crimes they didn’t commit.

When the innocent can’t afford a nonrefundable fee of \$5,000 or more to a bail bond company, but also can’t afford to stay in jail, risking their jobs or homes while they await their trial, some will plead guilty, resulting in a permanent criminal record. In jail, most will receive little or no mental healthcare, and for many, incarceration will make their existing conditions worse.

A YES vote helps ensure innocent people will no longer be forced to languish in jail or plead guilty to crimes they didn’t commit.

Vote YES on Proposition 25.

THE PREDATORY MONEY BAIL INDUSTRY DOESN’T CARE ABOUT OUR COMMUNITIES:

But don’t expect the money bail industry to go quietly. It’s a \$2 billion for-profit industry, led by predatory bail bond insurance corporations that get rich off the poor. Proposition 25 ends an unjust system that profiteers off working people, which is why the money bail industry is spending millions to fight this measure.

Safety should be our guiding principle, not the size of anyone’s wallet.

Vote YES on Proposition 25.

[www.YesOnCAProp25.com](http://www.YesOnCAProp25.com)

**LENORE ANDERSON**, President  
Californians for Safety and Justice

**DIANA BECTON**, Contra Costa County District Attorney

**HEIDI L. STRUNK**, President  
Mental Health America of California

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 25 ★

PROP. 25: UNFAIR, UNSAFE AND COSTLY

Written by Sacramento politicians, Prop. 25 eliminates the option to post bail for every Californian and replaces this right with a county-administered system of COMPUTER-BASED PROFILING to determine who goes free and who stays behind bars pending trial. Read why civil rights groups, crime victims’ advocates, law enforcement and local officials all say NO on Prop. 25.

PROP. 25 IS UNFAIR

Prop. 25’s computer profiling has been shown to discriminate against minorities and people from neighborhoods with higher concentrations of immigrants and low-income residents, *which is why civil rights groups like the NAACP and United Latinos Vote say NO on Prop. 25.*

PROP. 25 IS UNSAFE

Bail is an important constitutional right and ensures defendants satisfy the terms of their jail release and appear for trial and holds them accountable if they don’t. California’s recent experiment with “zero bail” during the coronavirus pandemic was disastrous, with

many defendants arrested, released, and rearrested multiple times in one day. Prop. 25 would make zero bail permanent, *which is why law enforcement and victims’ rights groups say NO on Prop. 25.*

PROP. 25 IS COSTLY

Prop. 25 will require additional court hearings to overrule a computer’s decision, causing more delays in our already backlogged courts. As cities and counties face historic budget deficits and devastating cuts to essential services, Prop. 25 will cost local governments and California hundreds of millions of dollars more each year to build and administer a new bureaucracy—*which is why local officials and taxpayer advocates say NO on Prop. 25.*

VOTE NO ON PROP. 25!

**ALICE HUFFMAN**, President  
California State Conference of the NAACP

**CHRISTINE WARD**, Executive Director  
Crime Victims Alliance

**JOE COTO**, President  
United Latinos Vote



★ ARGUMENT AGAINST PROPOSITION 25 ★

**PROP. 25 ELIMINATES THE RIGHT TO BAIL FOR EVERY CALIFORNIAN**

California's justice system guarantees that people accused of a non-violent crime have the CHOICE of securing their release by posting bail or by order of a judge. But Prop. 25 replaces this right with an automated system of computer-generated predictive modeling based on mathematical algorithms administered by 58 different counties. Read why civil rights leaders, law enforcement, victims' rights groups and county officials all say NO on Prop. 25.

**CIVIL RIGHTS GROUPS WARN: PROP. 25 IS MORE BIASED AGAINST MINORITIES AND THE POOR**

Prop. 25 imposes a computer-based system of algorithms to make important criminal justice decisions. Civil rights groups like the NAACP oppose Prop. 25 because it will create more biased outcomes against people of color and those from economically disadvantaged areas.

- "Prop. 25 will be even more-discriminatory against African-Americans, Latinos and other minorities. Computer models may be good for recommending songs and movies, but using these profiling methods to decide who gets released from jail or who gets a loan has been proven to hurt communities of color."—*Alice Huffman, President, California State Conference of the NAACP*

**PROP. 25: MAKES COMMUNITIES LESS SAFE**

California's experiment with "zero bail" during the coronavirus pandemic had disastrous results as many defendants were arrested—released back on the streets and committed new crimes within hours—and then rearrested the same day. Prop. 25 will make "zero bail" permanent, which is why law enforcement throughout the state oppose it.

- "Prop. 25 will endanger public safety and makes it harder for police and sheriff's departments to do our jobs."—*Chad Bianco, Riverside County Sheriff*

**PROP. 25: DENIES JUSTICE**

California's current system provides justice by ensuring

people accused of a crime appear for trial and holds defendants accountable for their actions if they don't.

- "Prop. 25 destroys one of the best tools our communities have to make sure defendants appear and face their day in court."—*Christine Ward, Executive Director, Crime Victims Alliance*

**PROP. 25: COSTS TAXPAYERS HUNDREDS OF MILLIONS OF DOLLARS EACH YEAR**

Prop. 25 forces counties to create a new bureaucracy to determine who will and will not get released from jail pending trial. This new state mandate will cost taxpayers hundreds of millions of dollars to implement at a time when state and county budgets are facing historic budget cuts due to the coronavirus.

- "Prop. 25 will cost state and local governments several hundred million dollars each year. This will force us to cut vital public services or raise taxes, something our local communities can't afford right now."—*Sue Frost, Sacramento County Supervisor*

**PROP. 25: OVERBURDENS ALREADY OVER-CROWDED COURTS**

Prop. 25 replaces a bail system that works well at almost no cost to taxpayers with a new system that requires additional court hearings to overrule the computer's decision, leading to even longer delays in our backlogged justice system.

- "Imagine a spouse, son, daughter or close friend stuck in jail at the mercy of computers and the bureaucracy, instead of having the immediate choice of getting out on bail or the ability to speak directly to a judge."—*Quentin L. Kopp, Retired California Superior Court Judge*

**VOTE NO ON PROP. 25!**

**ALICE HUFFMAN**, President  
California State Conference of the NAACP

**CHRISTINE WARD**, Executive Director  
Crime Victims Alliance

**QUENTIN L. KOPP**, Retired California Superior Court Judge

★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 25 ★

Money bail is a discriminatory and discredited system.

Help us end it. Vote YES on Prop. 25.

Today, the rich can pay their bail and get out of jail, no matter how violent the crime charged. Money bail is unjust and unfair.

Why should poor people charged with nonviolent misdemeanors sit in jail while the rich get out, simply because they can't afford to pay bail? They shouldn't. Money bail is only a "right" for those who can afford it. People don't even get their bail money back if they're innocent or charges get dropped.

The massive bail industry, including Bankers Insurance Company and Lexington National Insurance Corporation, are spending their billions to protect their profits and preserve a broken, discriminatory system. They oppose Prop. 25 out of greed. You can see how they're funding their NO campaign at <http://cal-access.sos.ca.gov/Campaign/Measures>.

Prop. 25 replaces money bail with a system where judges

make determinations based on safety. Computer algorithms don't make the decisions, judges do.

According to the Judicial Council of California, Proposition 25 "will gather information and provide reports to aid judges in the decision about whether a defendant is a risk to the public or likely to return to court if released before trial."

Prop. 25 also adds transparency and public review to eliminate bias and racial disparities.

Prop. 25 has NOTHING to do with "zero bail," a temporary public health response to COVID-19.

For real social justice reform—finally—help change the system by voting YES on Prop. 25.

Let's end money bail once and for all!

**STEVEN BRADFORD**, Vice-Chair  
California Legislative Black Caucus

**LESLI CALDWELL**, County Chief Public Defender, Retired

**JESSICA BARTHOLOW**, Policy Advocate  
Western Center on Law & Poverty

# OVERVIEW OF STATE BOND DEBT

PREPARED BY THE LEGISLATIVE ANALYST

This section describes the state's bond debt. It also discusses how the bond measure 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 sells bonds to investors to receive “up-front” funding for these projects and then repays the investors, with interest, over a period of time. 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.

**Why Are Bonds Used?** A main reason for issuing bonds is that infrastructure typically provides services over many years. Therefore, 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 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 tax and sales tax revenues. The state repays revenue bonds from the General Fund but also 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 generally do not.

### **What Are the Costs of Bond Financing?**

After selling bonds, the state makes regular payments over the next few decades until the bonds are paid off. (This is very similar to the way a family pays off a mortgage.) The state pays somewhat more for projects it funds through bonds than for projects it funds up-front because of interest. 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 State Spending

**Amount of General Fund Debt.** The state has about \$80 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 \$38 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 \$7 billion per year from the General Fund to repay bonds.

**Proposition on This Ballot.** There is one general obligation bond measure on this ballot. Proposition 14 would allow the state to borrow \$5.5 billion primarily for

# OVERVIEW OF STATE BOND DEBT

CONTINUED

stem cell research and the development of new medical treatments in California.

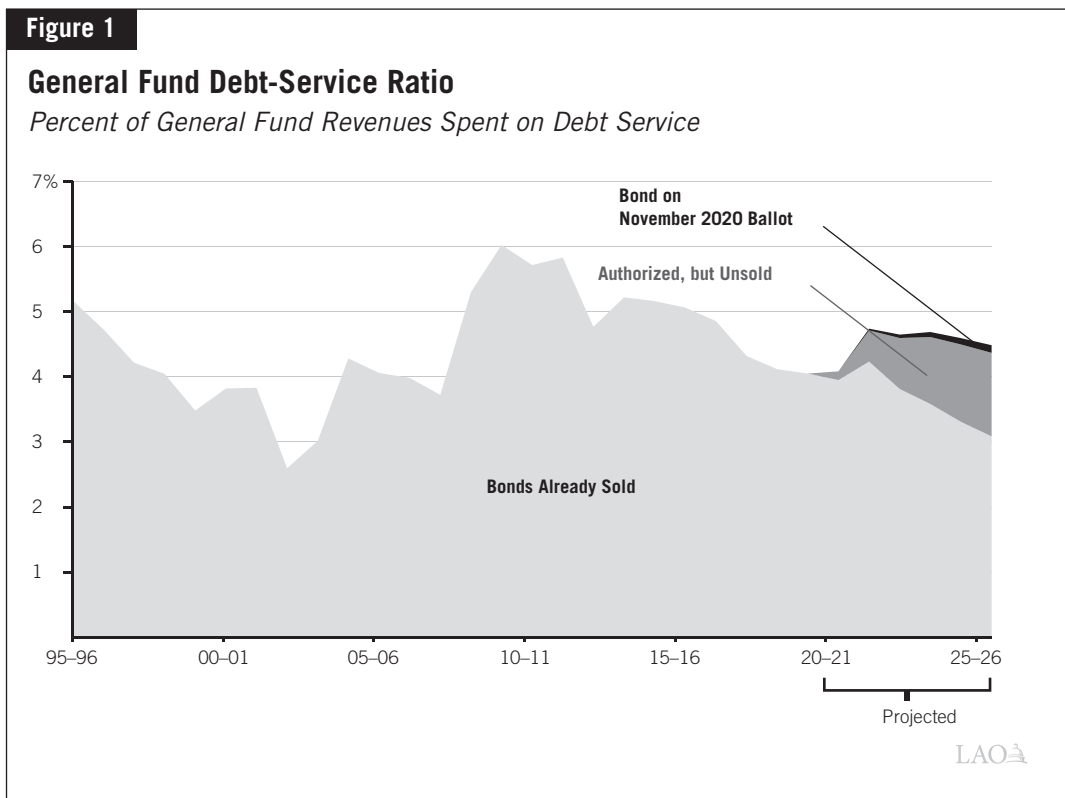
### ***This Election’s Impact on Debt Payments.***

We estimate that the total cost (including interest) to pay off the general obligation bond measure on this ballot would be about \$7.8 billion. This total would equal an average of about \$260 million per year for about 30 years, which is about 4 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, such as operating colleges or paying for health care.

As shown in Figure 1, the DSR is now around 4 percent. If voters do not approve the proposed bond on this ballot, we project that the state’s DSR on already approved bonds will grow over the next couple of years—peaking at about 4.7 percent in 2021–22—and then begin decreasing. If voters approve the proposed general obligation bond on this ballot, we project it would increase the DSR by about one-fifth of one percentage point compared to what it would otherwise have been over the next couple of years. The state’s future DSR would be higher than shown in the figure if the state and voters approve additional bonds in the future.



# 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 include 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 committees, 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.

California law requires the following information to be printed in this guide.

## Party-Nominated/Partisan Offices

Political parties may formally nominate candidates for party-nominated/partisan offices at the primary election. A nominated candidate will represent that party as its official candidate for the specific office at the general election, and the ballot will reflect an official designation. The top vote-getter for each party at the primary election moves on to the general election. Parties also elect officers of county central committees at the primary election.

A voter can only vote in the primary election of the political party he or she has disclosed a preference for upon registering to vote. However, a political party may allow a person who has declined to disclose a party preference to vote in that party’s primary election.



U.S. presidential candidate statements can be found online at [voterguide.sos.ca.gov](http://voterguide.sos.ca.gov)

## 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.

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## Top Contributors to State Candidates and Ballot Measures

When a committee (a person or group of people who receive or spend 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>





# Voter Registration

If you have already registered to vote, you do not need to re-register **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](https://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

During the period of 14 days prior to Election Day and including Election Day, you can go to the office of your county elections official, a vote center, or polling place to conditionally register to vote and vote. To learn more visit [sos.ca.gov/elections/voter-registration/same-day-reg/](https://sos.ca.gov/elections/voter-registration/same-day-reg/).

# Voter Registration Privacy Information

**Safe at Home Confidential Voter Registration Program:** Certain voters facing life-threatening situations (i.e. victims and survivors of domestic violence, stalking, sexual assault, human trafficking, elder/dependent adult abuse) may qualify for confidential voter status if they are active members of the Safe at Home program. For more information, contact the Secretary of State's Safe at Home program toll-free at (877) 322-5227 or visit [sos.ca.gov/registries/safe-home/](https://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 toll-free Voter Hotline at (800) 345-VOTE (8683).

# Pre-register at sixteen. Vote at eighteen.

Pre-registration is available online for eligible 16- and 17-year-olds at [registertovote.ca.gov](https://registertovote.ca.gov) or via the paper registration form. California youth who pre-register to vote will have their registration become active once they turn 18 years old.

Pre-register in 4 easy steps:

1. Visit [registertovote.ca.gov](https://registertovote.ca.gov).
2. Click the "Pre-register to Vote" button.
3. Become automatically registered on your 18th birthday.
4. Cast your ballot on Election Day!

## What is Pre-registration?

If you are 16 or 17 years old and meet all other voter eligibility requirements, you can pre-register to vote at [registertovote.ca.gov](https://registertovote.ca.gov).

Simply complete the online pre-registration application and on your 18th birthday, you will automatically be registered to vote.



# How to vote by mail

## Who can vote by mail?

Every registered voter will receive a vote-by-mail ballot for the November 3, 2020, General Election. County elections officials will begin mailing ballots to voters by October 5, 2020. If you do not receive your vote-by-mail ballot or need to request a replacement, please contact your county elections office. County elections office contact information can be found on page 110 of this guide.

## How to return your vote-by-mail ballot

After marking your choices on your vote-by-mail ballot, place it in the official envelope provided by your county elections office and seal it. **Sign** the envelope where directed. You have multiple options for returning your ballot.

To ensure your ballot arrives by the deadline, return it either:



By mail—must be postmarked on or before **November 3** and received by your county elections office no later than **November 20. No postage is required!**



In person—drop off at your county elections office or any vote center, polling place, or ballot drop-off location in California before the polls close at 8:00 p.m. on November 3.

State law gives voters the freedom to designate anyone they choose to return their vote-by-mail ballots. However, we recommend that you only sign your completed ballot over to someone you trust. And never hand over your vote-by-mail ballot if you have not sealed and signed the back of the return envelope provided by your county elections office.

Even if you receive your vote-by-mail ballot and envelope, you can still vote in person at your polling place on Election Day. Bring your vote-by-mail ballot to the polling place and give it to a poll worker to exchange for a polling place ballot. If you do not have your vote-by-mail ballot and envelope, you may have to vote using a provisional ballot. This ensures that you have not already cast a ballot.

All counties offer an accessible option called remote accessible vote-by-mail (RAVBM). RAVBM allows voters with disabilities to receive their ballots at home and mark them independently and privately before sending them back to elections officials. Contact your county elections official for more information.



Want to see the November 3, 2020, General Election results after the polls close at 8:00 p.m.? Visit the California Secretary of State's Election Results website at [electionresults.sos.ca.gov](https://electionresults.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 5 through December 3, 2020, the Election Results website will update every day at 5:00 p.m. as counties count the remaining ballots.

The official results of the election will be posted by December 11, 2020, at [sos.ca.gov/elections/](https://sos.ca.gov/elections/).

# Assistance for Voters with Disabilities

California is committed to ensuring every voter can cast their ballot privately and independently.

For more detailed information about what assistance your county offers to voters with disabilities, please check your county Voter Information Guide or contact your county. County contact information is available on page 110 of this guide.

## Voting at a Polling Place or Vote Center

If you need help marking your ballot, you may choose up to two people to help you. This person cannot be:

- Your employer or anyone who works for your employer
- Your labor union leader or anyone who works for your labor union

*Curbside voting* allows you to park as close as possible to the voting area. Elections officials will bring you a roster to sign, a ballot, and any other voting materials you may need, whether you are actually at a curb or in a car. Contact your county elections office to see if curbside voting is available at your polling place or vote center.

All polling places and vote centers are required to be accessible to voters with disabilities and will have accessible voting machines.

## Voting at Home

Remote accessible vote-by-mail (RAVBM) systems provide an accessible option for voters with disabilities to receive their ballots at home and mark them independently and privately before sending them back to elections officials. Contact your county elections official for more information.

## Audio & Large Print Voter Information Guides

This guide is available in audio and large print versions. The guide is also 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)



Visit [voterguide.sos.ca.gov](http://voterguide.sos.ca.gov)



Download an audio MP3 version at [voterguide.sos.ca.gov/en/audio](http://voterguide.sos.ca.gov/en/audio)

# FREQUENTLY ASKED QUESTIONS

## Am I registered to vote?

To be eligible to register to vote in California, you must be:

- A United States citizen and a resident of California,
- 18 years old or older on Election Day,
- Not currently in state or federal prison or on parole for the conviction of a felony, and
- Not currently found mentally incompetent to vote by a court.

To check the status of your voter registration, visit [voterstatus.sos.ca.gov](http://voterstatus.sos.ca.gov).

## What if I forgot to register to vote or update my registration?

No problem! If you missed the October 19, 2020, voter registration deadline, California law allows you to register to vote and vote until 8:00 p.m. on Election Day at your county elections office or at any voting location in your county. This process is called Conditional Voter Registration and is commonly referred to as Same Day Voter Registration.

Here's how it works:

1. Visit your county elections office, a vote center, or polling place in your county—locations can be found in your county Voter Information Guide or at [vote.ca.gov](http://vote.ca.gov).
2. Complete a voter registration card.
3. Vote your ballot at your county elections office, vote center, or polling place.
4. Once the county elections official processes your registration and determines you are eligible, you will be registered to vote and your ballot will be counted.
5. Check if your ballot was counted by visiting [voterstatus.sos.ca.gov](http://voterstatus.sos.ca.gov). County elections offices have up until 60 days after Election Day to provide this information.

## Where can I learn about candidates and propositions?

Check your county Voter Information Guide for information about local candidates and measures. Starting on page 16 of this guide you will find information about statewide propositions.

To find statements from presidential candidates, visit the Secretary of State's website at [vote.ca.gov](http://vote.ca.gov).

To research campaign contributions for state and local candidates, visit the Secretary of State's website at [powersearch.sos.ca.gov](http://powersearch.sos.ca.gov).

To research campaign contributions for presidential and congressional candidates, visit the Federal Election Commission website at [www.fec.gov](http://www.fec.gov).

## What tools are available on the Secretary of State's website?

Visit [vote.ca.gov](http://vote.ca.gov) for tools to help you:

- Check your voter registration information
- Register or re-register to vote
- Sign up for vote-by-mail ballot tracking
- Find your polling place or vote center
- Contact your county elections office

## Where do I vote?

Every county has polling places or vote centers open on Election Day. All counties will also have one or more in-person, early voting locations. To find your county's early voting locations, visit [vote.ca.gov](http://vote.ca.gov) or check your county Voter Information Guide.

You may also call the Secretary of State's toll-free Voter Hotline at (800) 345-VOTE (8683).

You can also text "Vote" to GOVOTE (468683) to find the location of your polling place.

If you live in one of these counties: Amador, Butte, Calaveras, El Dorado, Fresno, Los Angeles, Madera, Mariposa, Napa, Nevada, Orange, Sacramento, San Mateo, Santa Clara, or Tuolumne, you can vote in any vote center in your county. Visit [voterschoice.sos.ca.gov](http://voterschoice.sos.ca.gov).

## How do I vote by mail?

For this election, every registered voter in California will automatically receive a vote-by-mail ballot. Your county elections office will mail ballots beginning October 5, 2020. For more information please see page 83 of this guide.

## How much postage is needed to return my vote-by-mail ballot?

No stamp, no problem! Postage for vote-by-mail envelopes is prepaid by the county and free for all voters in California.

## How can I return my vote-by-mail ballot?

After marking your choices on your vote-by-mail ballot, place it in the official envelope provided by your county elections office and seal it. Sign the envelope where directed. You have multiple options for returning your ballot.

To ensure your ballot arrives by the deadline, return it either:

- By mail—must be postmarked on or before November 3 and received by your county elections office no later than November 20. No postage is required!
- In person—drop off at your county elections office, any vote center or polling place in California, or any ballot drop-off location or drop box before the polls close at 8:00 p.m. on November 3.
- State law gives voters the freedom to designate anyone they choose to return their vote-by-mail ballots. However, we recommend that you only sign your completed ballot over to someone you trust. Never hand over your vote-by-mail ballot if you have not sealed and signed the back of the return envelope provided by your county elections office.

## Can I still vote in person this election?

While we recommend that you vote using your vote-by-mail ballot, there will still be in-person voting options in every county. Bring your vote-by-mail ballot to your county elections office or voting location and give it to a poll worker to exchange for a polling place ballot. If you do not have your vote-by-mail ballot and envelope, you may have to vote using a provisional ballot. This ensures that you have not already cast a ballot.



## Can voters with disabilities vote by mail?

All county elections offices are required to offer an accessible option called remote accessible vote-by-mail (RAVBM). RAVBM allows voters with disabilities to receive their ballot at home and mark it independently and privately before sending it back to elections officials. For the November 3, 2020, General Election, all registered voters may use the RAVBM option. To sign up for RAVBM, visit [voterstatus.sos.ca.gov](http://voterstatus.sos.ca.gov).

## How do I know the county received my vote-by-mail ballot?

Voters can receive notifications on the status of their vote-by-mail ballot by signing up for the “Where’s My Ballot?” tool. Sign up at [wheresmyballot.sos.ca.gov](http://wheresmyballot.sos.ca.gov) to receive automatic updates on the status of your vote-by-mail ballot by text message (SMS), email, or voice call.

When you sign up for “Where’s My Ballot?” you will receive automatic updates when your county elections office:

- Mails your ballot,
- Receives your ballot,
- Counts your ballot, or
- Identifies an issue with your ballot.

## Can I get time off from work to vote?

All employees are eligible for paid time off for the purpose of voting if they do not have enough time outside of working hours to vote.

Employees can be given as much time as they need in order to vote, but only a maximum of two hours is paid. Employers may require employees to give advance notice that they will need additional time off for voting. Employers may require time off to be taken only at the beginning or end of the employee’s shift.

If you have questions, call the Secretary of State’s toll-free Voter Hotline at (800) 345-VOTE (8683).

## Do I need to show ID to vote?

In most cases, California voters do not have to show identification before they vote.

You may have to show one form of identification at the polling place if you are voting for the first time after registering by mail or online and you did NOT provide the following on your application (or any other identification):

- State-issued driver license or identification number, or
- The last four digits of your social security number.

The following are some of the acceptable types of identification according to state and federal laws:

- |   |                                 |
|---|---------------------------------|
| • Driver license or state-issued identification | • Student identification        |
| • Passport                                      | • Health club identification    |
| • Employee identification                       | • Insurance plan identification |
| • Military identification                       | • Credit card or debit card     |

For the full list, see “Polling Place ID Requirements” at [sos.ca.gov/elections/hava-id-standards](http://sos.ca.gov/elections/hava-id-standards).

## How can I help?

Participate as a poll worker! Gain hands-on experience and take part in the single most important part of our democracy—voting!

To serve as a poll worker, you must be:

- A U.S. citizen or legal permanent resident, or
- An eligible high school student.

Poll workers:

- Set up and close a polling place
- Help voters understand their rights
- Protect ballots and voting equipment
- Earn extra money (amount varies by county)
- Contribute to their community and meet their neighbors

To serve as a high school poll worker, a student must:

- Be a U.S. citizen or legal permanent resident
- Be at least 16 years old on Election Day
- Attend a public or private high school
- Have at least a 2.5 grade point average
- Get permission from their parents and school
- Attend a training session

For more information about being a poll worker, contact your county elections office or visit [vote.ca.gov](http://vote.ca.gov).

## Check Your Voter Status Online



Visit the Secretary of State’s My Voter Status page at [voterstatus.sos.ca.gov](http://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 or vote center
- Find upcoming elections in your area
- Receive your state Voter Information Guide (VIG) by email before each statewide election (See below for more information on opting out of the VIG.)
- Find contact information for your county elections office
- Check the status of your vote-by-mail ballot or provisional ballot

To check your voter status, you will need to enter your first name, last name, California driver license or identification card number, the last four digits of your social security number, and date of birth.

You can use the My Voter Status tool to opt out of receiving the state VIG. However, if another registered voter in your household requests to get it by mail, a state VIG will still be mailed to your address. If you have opted out and do not receive the state VIG in the mail, information on statewide candidates and ballot measures will still be available on the VIG website ([voterguide.sos.ca.gov](http://voterguide.sos.ca.gov)) before each statewide election.

Go to [voterstatus.sos.ca.gov](http://voterstatus.sos.ca.gov) to get started.

## PROPOSITION 14

This initiative measure is submitted to the people in accordance with the provisions of Section 8 of Article II of the California Constitution.

This initiative measure amends and adds sections to the Health and Safety Code; therefore, existing provisions proposed to be deleted are printed in ~~strikeout type~~ and new provisions proposed to be added are printed in *italic type* to indicate that they are new.

### PROPOSED LAW

The California Stem Cell Research, Treatments, and Cures Initiative of 2020

#### SECTION 1. Title.

This measure shall be known, and may be cited, as the “California Stem Cell Research, Treatments, and Cures Initiative of 2020.”

#### SEC. 2. Findings and Declarations.

The people of the State of California hereby find and declare all the following:

(a) In 2004, California voters rejected efforts by the federal government to limit stem cell research by establishing California’s own stem cell research and therapy development funding institute, catapulting California into a worldwide leadership position in the cutting-edge field of stem cell research.

(b) Since then, the California Institute for Regenerative Medicine (California’s stem cell research institute), which was established by California voters, has funded more than 1,000 research projects at 70 institutions and businesses across the state, which have led to more than 2,500 peer-reviewed medical research discoveries, including discoveries that have contributed to more than 70 human clinical trials aimed at finding treatments and cures for chronic injuries and diseases. Many other discoveries are in the translational pipeline awaiting additional funds to move them towards clinical trials. To date, approximately 2,000 patients have been or are expected to be treated in institute-funded clinical trials or at the institute’s centers of excellence, and more than 4,000 patients have been or are expected to be enrolled in human clinical trials in which the California stem cell research institute has funded research or therapy development or at the institute’s centers of excellence.

(c) Researchers funded by California’s stem cell research institute are working to develop therapies and cures for devastating diseases and injuries, including, without limitation, cancer, diabetes, heart disease, lower respiratory diseases, kidney disease, Alzheimer’s, Parkinson’s, spinal cord injuries, blindness, amyotrophic lateral sclerosis (ALS), HIV/

AIDS, multiple sclerosis, and mental health disorders, such as schizophrenia, depression, and autism.

(d) Institute-funded researchers are making significant progress in developing therapies for many devastating diseases, ranging from cancer treatments to helping to find a cure for “bubble baby” disease, which has already saved the lives of many children, but many of these projects require additional funds to move from the research stage to the clinic.

(e) Treatments developed with support from California’s stem cell research institute are changing lives. Thanks to this research, a high school student who was paralyzed in a diving accident was able to regain function in his upper body and go on to college; a mother who went blind from a genetic disease recovered her sight; and a cure has been found for a disease that causes fetal death.

(f) Through 2018, institute-funded research projects are estimated to have generated more than \$3 billion in matching funds, created more than 55,000 full-time equivalent jobs in California, resulted in approximately \$641 million in state and local tax revenues, and generated an increase of \$10.7 billion in California’s economic activity. California’s stem cell research institute has drawn hundreds of out-of-state researchers and many companies to California, making California a worldwide leader in the field. The more than \$3 billion in matching funds generated by these projects validate the value of the voters’ decision to invest in research and therapies to treat and cure chronic disease and injury.

(g) Although California’s stem cell research funding institute has made great gains, much work remains to be done. With new federal restrictions on important research, an anti-science agenda on the rise, and threats to reduce federal research and development funding, California once again must take the lead to ensure that this promising area of research continues and to advance projects from the research stage to the clinic.

(h) Without additional funding, many of these promising research and development projects will be forced to stop work on potentially life-changing medical therapies. California’s stem cell research institute needs additional funding to help bring promising discoveries through the development process, including clinical trials, with the goal of making treatments available to California patients with chronic diseases and injuries.

#### SEC. 3. Purpose and Intent.

In enacting this initiative, it is the purpose and intent of the people of the State of California to continue to support stem cell research to mitigate or cure chronic disease and injury and thereby reduce or mitigate human suffering and the cost of care and improve the health and productivity of Californians by:

(a) Providing \$5.5 billion in bond funding to allow California's stem cell research institute to continue funding stem cell and other vital research to develop treatments and cures for serious diseases and conditions like diabetes, cancer, HIV/AIDS, heart disease, paralysis, blindness, kidney disease, respiratory illnesses, and many more.

(b) Dedicating \$1.5 billion for the support of research and the development of treatments for diseases and conditions of the brain and central nervous system, such as Alzheimer's disease, Parkinson's disease, stroke, dementia, epilepsy, depression, brain cancer, schizophrenia, autism, and other diseases and conditions of the brain.

(c) Promoting the accessibility and affordability of treatments and cures by ensuring that more Californians have the opportunity to participate in clinical trials for promising new treatments for chronic disease and injury, expanding the number and geographic reach of clinics where specialized treatments and cures can be provided, including centers of excellence like Alpha Stem Cell Clinics and Community Care Centers of Excellence, which support clinical trials and will serve as the foundation for the delivery of future treatments, and by helping California patients obtain treatments and cures that arise from institute-funded research and development.

(d) Requiring strict accountability and transparency, including rigorous conflict of interest rules that are updated every four years, a limit on the number of employees the institute may hire, and a cap on administrative funding for the institute to ensure that at least 92.5 percent of the bond proceeds are spent on research and the development and delivery of treatments and cures.

(e) Creating the workforce jobs necessary to ensure that promising research developments are advanced to the clinic and that resulting treatments are made available to California patients.

(f) Reinforcing California's position as a world leader in the development of stem cell treatments and cures for patients.

(g) Promoting private investment in institute-funded projects to leverage institute funding so that this critical research can advance new treatments faster towards the goal of making them available to California patients.

(h) Protecting the General Fund by postponing General Fund payments on the bonds for the first five years, restricting the issuance of bonds in any one year to no more than one half of one percent of the total amount of the state's outstanding and authorized general obligation bonds, in the aggregate total, as of January 1, 2020, requiring that bonds be sold over a period of no less than 10 years, and spreading the cost of the bonds over a period of up to 40 years, so that the repayment is aligned with the period of time

over which California patients are expected to benefit from institute-funded research.

SEC. 4. Section 125290.72 is added to the Health and Safety Code, to read:

*125290.72. Expand Alpha Stem Cell Clinic Program and Establish Community Care Centers of Excellence Program*

*(a) The institute shall expand the Alpha Stem Cell Clinic Program and establish the Community Care Centers of Excellence Program to fund the establishment of centers of excellence where clinical trials are conducted and treatments and cures are made available for all patients. The goal of the Community Care Centers of Excellence Program is to expand the capacity of the Alpha Stem Cell Clinic Program to promote access to human clinical trials and the accessibility of treatments and cures arising from institute-funded research for patients in California by establishing geographically diverse centers of excellence to conduct clinical trials and to seek to make the resulting treatments and cures broadly available to California patients.*

*(b) The institute shall prioritize the funding of applications for Community Care Centers of Excellence that enhance the geographic distribution of Community Care Centers of Excellence across the state, considering the location of the Alpha Stem Cell Clinics, to promote patient access. The institute shall prioritize applications for Alpha Stem Cell Clinics and Community Care Centers of Excellence that offer matching funds or verified in-kind support, consistent with the highest medical standards, as established by the governing board of the institute.*

*(c) Applications for Alpha Stem Cell Clinic and Community Care Centers of Excellence grants shall be required to include a plan for enhancing access to clinical trials for California patients and making treatments and cures that arise from institute-funded research more widely available to California patients, including addressing how the applicant will support the ancillary hospital and access costs of patients participating in clinical trials to enhance access to trials for California patients, regardless of their economic means and geographical location.*

*(d) Alpha Stem Cell Clinic and Community Care Centers of Excellence awards shall be made pursuant to the procedures set forth in Article 1 (commencing with Section 125290.10) of Chapter 3 of Part 5 of Division 106.*

SEC. 5. Section 125290.73 is added to the Health and Safety Code, to read:

*125290.73. Scientific and Medical Training and Fellowship Programs*

*(a) The institute shall establish training and fellowship programs. The goal of the training and fellowship programs shall be to:*



(1) Ensure that California has the workforce necessary to move new discoveries from the research stage to the clinic.

(2) Accelerate the accessibility of treatments and cures, and make treatments and cures arising from institute-funded research available to California patients.

(3) Prepare California undergraduates and master's students for careers in stem cell research and other vital research opportunities and in the development and delivery of treatments and cures.

(4) Support graduate students, postdoctoral students, and medical students, including, but not limited to, interns, residents, and graduate fellows who work in the fields of stem cell and other vital research opportunities and in the development and delivery of treatments and cures, with fellowships.

(b) (1) (A) The program shall provide awards to California Community Colleges and California State University campuses to establish training programs to prepare undergraduates and provide fellowships for master's graduate students for advanced degrees and technical careers in stem cell research and other vital research opportunities and the development and delivery of treatments and cures, including hands-on training and education in stem cell research and other vital research opportunities and in the development and delivery of treatments and cures. Direct patient engagement and outreach activities that engage California's diverse communities to ensure that all communities are aware of, and have access to, institute-funded treatments and cures shall be a priority outcome of this program. The institute shall prioritize the funding of applications from institutions that enhance the geographic distribution of training across the state and socio-economic diversity and applications that offer matching funds or verified in-kind support.

(B) The institute may establish coinvestment, sponsored apprenticeships as part of the training program in order to leverage the institute's funding and create employment opportunities for students in technical positions that advance the fields of stem cell and other vital research opportunities and the development and delivery of treatments and cures.

(2) (A) The fellowship program shall provide awards to academic and nonprofit research institutions in California to administer fellowship awards to graduate and postdoctoral students and medical school students, including, but not limited to, interns, residents, and graduate fellows, engaged in stem cell research and other vital research opportunities and the development and delivery of treatments and cures. Fellowship awards may be freestanding or supplemental of other sources of funding.

(B) The institute may establish a program to empower fellows to work in Alpha Stem Cell Clinics and

Community Care Centers of Excellence as part of their participation in the fellowship program.

(c) Training and fellowship program awards shall be made pursuant to the procedures set forth in Article 1 (commencing with Section 125290.10) of Chapter 3 of Part 5 of Division 106.

SEC. 6. Section 125290.74 is added to the Health and Safety Code, to read:

125290.74. Shared Research Laboratory Program

(a) The institute shall reestablish a Shared Research Laboratory Program to provide funding to academic and nonprofit research institutions in California for specialized instrumentation, a supply of cell lines, culture materials, and instruction and training in research methods and techniques. Awardees of Shared Research Laboratory grants shall be required to offer use of the research laboratory to investigators conducting research at the awardee institution and provide a reasonable access plan for neighboring research institutions, and to offer instruction and training opportunities to students and investigators at the awardee institution and provide a reasonable access plan for neighboring research institutions.

(b) The institute shall prioritize the funding of applications that enhance the geographic distribution of Shared Research Laboratories across the state and applications that offer matching funds or verified in-kind support.

(c) Shared Research Laboratory Program awards shall be made pursuant to the procedures set forth in Article 1 (commencing with Section 125290.10) of Chapter 3 of Part 5 of Division 106.

SEC. 7. Section 125290.75 is added to the Health and Safety Code, to read:

125290.75. Treatments and Cures Accessibility and Affordability Working Group

(a) Membership

The Treatments and Cures Accessibility and Affordability Working Group shall have 17 members, nominated by the chairperson or vice chairperson and approved by the board, as follows:

(1) Five members of the ICOC (the governing board), with at least two of those members drawn from the appointments made pursuant to paragraph (3), (4), (5), or (6) of subdivision (a) of Section 125290.20.

(2) An individual who has private sector experience in innovative therapy medical coverage terms, qualifications, and the process for reimbursement, including, if possible, experience with coverage negotiations with private insurers, health management organizations with private insurers, or corporate self-insurance health plans.

(3) An expert or a highly knowledgeable individual with experience in federal therapy coverage, qualifications, and process for reimbursement,



including, if possible, experience with the federal Centers for Medicare and Medicaid Services.

(4) An expert or a highly knowledgeable individual with experience in California's public insurance program (Covered California), coverage, qualifications, and the process for reimbursement of innovative therapies.

(5) Two representatives from hospitals in California that are participating in stem cell clinical trials or that are treating patients with federal Food and Drug Administration approved stem cell or genetic therapies.

(6) A representative from a philanthropic organization who has experience assisting patients with clinical trial access and affordability or with access to, and the affordability of, innovative therapies.

(7) Two representatives from patient advocacy organizations who have technical expertise or experience in coverage, qualifications, and the process for reimbursement of innovative therapies.

(8) A health care economist with experience in advising or negotiating with private insurers, government insurers, or corporate self-insurance programs on coverage for innovative therapies or human trials, including experience in assisting hospitals and clinics in covering financial gaps in coverage of the direct and indirect costs of innovative therapies.

(9) A patient navigator with training and experience helping patients obtain financial support from private insurers, public support, or nonprofit support, and helping patients obtain social service support to facilitate their participation in federal Food and Drug Administration approved human trials or their qualification for access and financial assistance for innovative therapies.

(10) The chairperson and vice chairperson of the governing board.

(b) Functions

The Treatments and Cures Accessibility and Affordability Working Group shall have the following functions:

(1) Examine, develop, and assist with the implementation of financial models to enhance the accessibility and affordability of treatments and cures arising from institute-funded research for Californians and to enhance access to clinical trials, including reimbursement alternatives for patient-qualified costs to help achieve the objective that reimbursement covers patient expenses, including, but not limited to, medical expenses, lodging, meals, and travel for research participants and their caregivers.

(2) Recommend to the governing board policies and programs to help Californians obtain access to human clinical trials and to make treatments and cures

arising from institute-funded research available to California patients throughout California.

(3) Recommend to the governing board policies and programs to help Californians afford to participate in human clinical trials and to make treatments and cures arising from institute-funded research affordable to California patients, regardless of their financial means.

(4) Work with the Alpha Stem Cell Clinics and Community Care Centers of Excellence and other California health care institutions, and health care payors, including private insurers, government programs, and foundations, to develop model programs and coverage models to promote the access and affordability of treatments and cures arising from institute-funded research for California patients, regardless of their financial means, or the disease, injury, or health condition from which they suffer.

(5) Advise the governing board regarding the coverage criteria and the process for reimbursement of innovative therapies and cures arising from institute-funded research and made available to patients through publicly or privately funded programs in California with the goal of expanding access and affordability.

SEC. 8. Section 125290.76 is added to the Health and Safety Code, to read:

125290.76. Advisory Task Forces

(a) Membership

The chairperson and the president may appoint one or more advisory task forces to provide expert guidance to address specific objectives in areas under the institute's jurisdiction, including scientific, policy, ethical, financial, and technical matters. The chairperson and president shall each appoint an equal number of members with expertise in the area or areas for which advice is sought, including at least one member who has a patient advocate perspective.

(b) Functions

The advisory task forces shall advise the board through the chairperson and the president, regarding scientific, policy, financial, ethical, and technical matters under the institute's jurisdiction.

(c) Operations

(1) The advisory task forces shall be advisory only and their operations shall be subject to the requirements applicable to working groups pursuant to Section 125290.50, provided that the advisory task forces shall meet in public when they vote on policy recommendations.

(2) Members of the advisory task forces shall be subject to the conflict of interest requirements applicable to members of the working groups, provided that the advisory task forces shall not review,

*comment upon, or have jurisdiction over, any individual grant or loan approval.*

SEC. 9. Section 125290.20 of the Health and Safety Code is amended to read:

125290.20. ICOC Membership; Appointments; Terms of Office

(a) ICOC Membership

The ICOC shall have ~~29~~ 35 members, appointed as follows:

(1) The Chancellors of the University of California at San Francisco, Davis, San Diego, Los Angeles, and Irvine, and Riverside shall each appoint an executive officer from his or her campus. *In addition, the Chancellor of the University of California at San Francisco (UCSF) shall also appoint a faculty member, physician/scientist, researcher, or executive officer from the UCSF Fresno/Clovis campus to promote geographic diversity and access.*

(2) The Governor, the Lieutenant Governor, the Treasurer, and the Controller shall each appoint an executive officer from the following three categories:

(A) A California university, excluding the ~~five~~ *seven* campuses of the University of California described in paragraph (1), that has demonstrated success and leadership in stem cell research, *other vital research opportunities, therapy development, or therapy delivery*, and that has:

(i) A nationally ranked research hospital and medical school; this criteria will apply to only two of the four appointments.

(ii) A recent proven history of administering scientific and/or medical research grants and contracts in an average annual range exceeding one hundred million dollars (\$100,000,000).

(iii) A ranking, within the past five years, in the top 10 United States universities with the highest number of life science patents or that has research or clinical faculty who are members of the National Academy of Sciences.

(iv) *For purposes of this category, the Governor may appoint an executive officer from the California State University system who has an advanced degree in biological sciences.*

(B) A California nonprofit academic and research institution that is not a part of the University of California, that has demonstrated success and leadership in stem cell research, *other vital research opportunities, therapy development, or therapy delivery* and that has:

(i) A nationally ranked research hospital or that has research or clinical faculty who are members of the National Academy of Sciences.

(ii) A proven history in the last five years of managing a research budget in the life sciences exceeding twenty million dollars (\$20,000,000) *annually*.

(C) A California life science commercial entity that is not actively engaged in researching or developing therapies *or therapy delivery* with pluripotent or progenitor stem cells *or genetic medical treatments*; that has a background in implementing ~~successful~~ *or developing* experimental medical therapies, *including conducting human clinical trials*, and that has not been awarded, or applied for, funding by the institute at the time of appointment. A board member of that entity *who generally meets the same qualifications with a successful history of developing innovative medical therapies* may be appointed in lieu of an executive officer.

(D) Only one member shall be appointed from a single university, institution, or entity *for the purposes of paragraph (2)*. The executive officer of a California university, a nonprofit research institution or life science commercial entity who is appointed as a member, may from time to time delegate those duties to an executive officer of the entity or to the dean of the medical school, if applicable.

(3) The Governor, the Lieutenant Governor, the Treasurer, and the Controller shall appoint members from among California representatives of California regional, state, or national disease advocacy groups, as follows:

(A) The Governor shall appoint ~~two~~ *three* members, one from each of the following disease advocacy groups: spinal cord injury; ~~and~~ Alzheimer's disease; *and mental health conditions*.

(B) The Lieutenant Governor shall appoint ~~two~~ *three* members, one from each of the following disease advocacy groups: type II diabetes; ~~and~~ multiple sclerosis or amyotrophic lateral sclerosis; *and mental health conditions*.

(C) The Treasurer shall appoint two members, one from each of the following disease groups: type I diabetes and heart disease.

(D) The Controller shall appoint two members, one from each of the following disease groups: cancer and Parkinson's disease.

(4) The Speaker of the Assembly shall appoint a member from among California representatives of a California regional, state, or national mental health disease *or mental health conditions* advocacy group.

(5) The President pro Tempore of the Senate shall appoint a member from among California representatives of a California regional, state, or national HIV/AIDS disease advocacy group.

(6) *The Treasurer and Controller shall each appoint a nurse with experience in clinical trial management or stem cell or genetic therapy delivery.*

~~(6)~~ (7) A chairperson and vice chairperson who shall be elected by the ICOC members. Each constitutional officer shall nominate a candidate for chairperson and another candidate for vice chairperson. The

chairperson and vice chairperson shall each be elected for a term of six years. The chairperson and vice chairperson of ICOC shall be full- or part-time employees of the institute and shall meet the following criteria:

(A) Mandatory Chairperson Criteria

(i) Documented history in successful stem cell research or other vital research opportunity in therapy development or therapy delivery advocacy.

(ii) Experience with state and federal legislative processes that must include some experience with medical legislative approvals of standards and/or funding.

(iii) Qualified for appointment pursuant to paragraph (3), (4), or (5) of subdivision (a).

(iv) Cannot be concurrently employed by or on leave from any prospective grant or loan recipient institutions in California.

(B) Additional Criteria for Consideration:

(i) Experience with governmental agencies or institutions (either executive or board position).

(ii) Experience with the process of establishing government standards and procedures.

(iii) Legal experience with the legal review of proper governmental authority for the exercise of government agency or government institutional powers.

(iv) Direct knowledge and experience in bond financing.

The vice chairperson shall satisfy clauses (i), (iii), and (iv) of subparagraph (A). The vice chairperson shall be selected from among individuals who have attributes and experience complementary to those of the chairperson, preferably covering the criteria not represented by the chairperson's credentials and experience.

(b) Appointment of ICOC Members

(1) All appointments shall be made within 40 days of the effective date of this act. In the event that any of the appointments are not completed within the permitted timeframe, the ICOC shall proceed to operate with the appointments that are in place, provided that at least 60 percent of the appointments have been made.

(2) Forty-five days after the effective date of the ~~measure adding this chapter~~ *this act*, the Controller and the Treasurer, or if only one is available within 45 days, the other shall convene a meeting of the appointed members of the ICOC to elect a chairperson and vice chairperson from among the individuals nominated by the constitutional officers pursuant to paragraph ~~(6)~~ (7) of subdivision (a).

(c) ICOC Member Terms of Office

(1) The members appointed pursuant to paragraphs (1), (3), (4), ~~and~~ (5), *and* (6) of subdivision (a) shall

serve eight-year terms, and all other members shall serve six-year terms. Members shall serve a maximum of two terms, *unless earlier removed pursuant to paragraph (5)*.

(2) If a vacancy occurs within a term, the appointing authority shall appoint a replacement member within ~~30~~ 90 days to serve the remainder of the term.

(3) When a term expires, the appointing authority shall appoint a member within ~~30~~ 90 days. ICOC members shall continue to serve until their replacements are appointed.

(4) *Notwithstanding paragraph (1), the appointing authority may replace a member, other than the chairperson or vice chairperson, who has served, as of the effective date of the act adding this paragraph, at least half of the member's current term, by appointing a new member, who shall be eligible to serve a full term. These appointments shall be made within 90 days of the effective date of the initiative adding this paragraph.*

(5) *The ICOC may, by a vote of 60 percent of a quorum, recommend the removal of a member by the member's appointing authority, or in the case of the chairperson and the vice chairperson, the nominating authority or nominating authorities, if more than one constitutional officer nominated the chairperson or vice chairperson. The appointing authority or nominating authority or authorities in the case of the chairperson and vice chairperson, shall have the authority to remove the member, chairperson, or vice chairperson, respectively, upon receipt of the ICOC's recommendation. If more than one constitutional officer nominated the chairperson or vice chairperson, each of them must agree in order to remove the chairperson or vice chairperson.*

SEC. 10. Section 125290.30 of the Health and Safety Code is amended to read:

125290.30. Public and Financial Accountability Standards

(a) Annual Public Report

The institute shall issue an annual report to the public which sets forth its activities, grants awarded, grants in progress, research accomplishments, and future program directions. Each annual report shall include, but not be limited to, the following: the number and dollar amounts of research and facilities grants; the grantees for the prior year; the institute's administrative expenses; an assessment of the availability of funding for stem cell research from sources other than the institute; a summary of research findings, including promising new research areas; an assessment of the relationship between the institute's grants and the overall strategy of its research program; and a report of the institute's strategic research and financial plans.



(b) Independent Financial Audit for Review by Controller

The institute shall annually commission an independent financial audit of its activities from a certified public accounting firm, which shall be provided to the Controller, who shall review the audit and annually issue a public report of that review.

(c) A performance audit shall be commissioned by the institute every three years beginning with the audit for the 2010–11 fiscal year. The performance audit, which may be performed by the Bureau of State Audits, shall examine the functions, operations, management systems, and policies and procedures of the institute to assess whether the institute is achieving economy, efficiency, and effectiveness in the employment of available resources. The performance audit shall be conducted in accordance with government auditing standards, and shall include a review of whether the institute is complying with ICOC policies and procedures. The performance audit shall not be required to include a review of scientific performance. The first performance audit shall include, but not be limited to, all of the following:

(1) Policies and procedures for the issuance of contracts and grants and a review of a representative sample of contracts, grants, and loans executed by the institute.

(2) Policies and procedures relating to the protection or treatment of intellectual property rights associated with research funded or commissioned by the institute.

(d) All administrative costs of the audits required by subdivisions (b) and (c) shall be paid by the institute.

(e) Citizen's Financial Accountability Oversight Committee

There shall be a Citizen's Financial Accountability Oversight Committee chaired by the Controller. This committee shall review the annual financial audit, the Controller's report and evaluation of that audit, and the financial practices of the institute. The Controller, the Treasurer, the President pro Tempore of the Senate, the Speaker of the Assembly, and the Chairperson of the ICOC shall each appoint a public member of the committee. Committee members shall have medical *or patient advocacy* backgrounds and knowledge of relevant financial matters. The committee shall provide recommendations on the institute's financial practices and performance. The Controller shall provide staff support. The committee shall hold a public meeting, with appropriate notice, and with a formal public comment period. The committee shall evaluate public comments and include appropriate summaries in its annual report. The ICOC shall provide funds for all costs associated with the per diem expenses of the committee members and for publication of the annual report.

(f) Public Meeting Laws

(1) The ICOC shall hold at least ~~two~~ *four* public meetings per year, one of which will be designated as the institute's annual meeting. The ICOC may hold additional meetings as it determines are necessary or appropriate.

(2) The Bagley-Keene Open Meeting Act, Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code, shall apply to all meetings of the ICOC, except as otherwise provided in this section. The ICOC shall award all grants, loans, and contracts in public meetings and shall adopt all governance, scientific, medical, and regulatory standards in public meetings.

(3) The ICOC may conduct closed sessions as permitted by the Bagley-Keene Open Meeting Act, under Section 11126 of the Government Code. In addition, the ICOC may conduct closed sessions when it meets to consider or discuss:

(A) Matters involving information relating to patients or medical subjects, the disclosure of which would constitute an unwarranted invasion of personal privacy.

(B) Matters involving confidential intellectual property or work product, whether patentable or not, including, but not limited to, any formula, plan, pattern, process, tool, mechanism, compound, procedure, production data, or compilation of information, which is not patented, which is known only to certain individuals who are using it to fabricate, produce, or compound an article of trade or a service having commercial value and which gives its user an opportunity to obtain a business advantage over competitors who do not know it or use it.

(C) Matters involving prepublication, confidential scientific research or data.

(D) Matters concerning the appointment, employment, performance, compensation, or dismissal of institute officers and employees. Action on compensation of the institute's officers and employees shall only be taken in open session.

(4) The meeting required by paragraph (2) of subdivision (b) of Section 125290.20 shall be deemed to be a special meeting for the purposes of Section 11125.4 of the Government Code.

(g) Public Records

(1) The California Public Records Act, Article 1 (commencing with Section 6250) of Chapter 3.5 of Division 7 of Title 1 of the Government Code, shall apply to all records of the institute, except as otherwise provided in this section.

(2) Nothing in this section shall be construed to require disclosure of any records that are any of the following:

(A) Personnel, medical, or similar files, the disclosure of which would constitute an unwarranted invasion of personal privacy.

(B) Records containing or reflecting confidential intellectual property or work product, whether patentable or not, including, but not limited to, any formula, plan, pattern, process, tool, mechanism, compound, procedure, production data, or compilation of information, which is not patented, which is known only to certain individuals who are using it to fabricate, produce, or compound an article of trade or a service having commercial value and which gives its user an opportunity to obtain a business advantage over competitors who do not know it or use it.

(C) Prepublication scientific working papers or research data, *including, but not limited to, applications and progress reports.*

(3) The institute shall include, in all meeting minutes, a summary of vote tallies and disclosure of each board member's votes and recusals on all action items.

(h) Competitive Bidding

(1) The institute shall, except as otherwise provided in this section, be governed by the competitive bidding requirements applicable to the University of California, as set forth in Chapter 2.1 (commencing with Section 10500) of Part 2 of Division 2 of the Public Contract Code.

(2) For all institute contracts, the ICOC shall follow the procedures required of the Regents by Chapter 2.1 (commencing with Section 10500) of Part 2 of Division 2 of the Public Contract Code with respect to contracts let by the University of California.

(3) The requirements of this section shall not be applicable to grants or loans approved by the ICOC.

(4) Except as provided in this section, the Public Contract Code shall not apply to contracts let by the institute.

(i) Conflicts of Interest

(1) The Political Reform Act, Title 9 (commencing with Section 81000) of the Government Code, shall apply to the institute and to the ICOC, except as provided in this section and in subdivision (e) of Section 125290.50.

(A) No member of the ICOC shall make, participate in making, or in any way attempt to use his or her official position to influence a decision to approve or award a grant, loan, or contract to his or her employer, but a member may participate in a decision to approve or award a grant, loan, or contract to ~~a nonprofit~~ an entity in the same field as his or her employer.

(B) A member of the ICOC may participate in a decision to approve or award a grant, loan, or contract to an entity for the purpose of research involving a disease from which a member or his or her immediate family suffers or in which the member has an interest as a representative of a disease advocacy organization.

(C) The adoption of standards, *including, but not limited to, strategic plans, concept plans, and*

*research budgets*, is not a decision subject to this section.

(2) Service as a member of the ICOC by a member of the faculty or administration of any system of the University of California shall not, by itself, be deemed to be inconsistent, incompatible, in conflict with, or inimical to the duties of the ICOC member as a member of the faculty or administration of any system of the University of California and shall not result in the automatic vacation of either such office. Service as a member of the ICOC by a representative or employee of a disease advocacy organization, a nonprofit academic and research institution, or a life science commercial entity shall not be deemed to be inconsistent, incompatible, in conflict with, or inimical to the duties of the ICOC member as a representative or employee of that organization, institution, or entity.

(3) Section 1090 of the Government Code shall not apply to any grant, loan, or contract made by the ICOC except where both of the following conditions are met:

(A) The grant, loan, or contract directly relates to services to be provided by any member of the ICOC or the entity the member represents or financially benefits the member or the entity he or she represents.

(B) The member fails to recuse himself or herself from making, participating in making, or in any way attempting to use his or her official position to influence a decision on the grant, loan, or contract.

(j) Patent Royalties and License Revenues Paid to the State of California

(1) The ICOC shall establish standards that require that all grants and loan awards be subject to intellectual property agreements that balance the opportunity of the State of California to benefit from the patents, royalties, and licenses that result from basic research, therapy development, and clinical trials with the need to ensure that essential medical research is not unreasonably hindered by the intellectual property agreements. All *royalty* revenues received through the intellectual property agreements established pursuant to this subdivision shall be deposited into *an interest-bearing account in the General Fund, and to the extent permitted by law, the amount so deposited and interest thereon shall be appropriated for the purpose of offsetting the costs of providing treatments and cures arising from institute-funded research to California patients who have insufficient means to purchase such treatment or cure, including the reimbursement of patient-qualified costs for research participants.*

(2) These standards shall include, at a minimum, a requirement that CIRM grantees, other than loan recipients and facilities grant recipients, share a fraction of the revenue they receive from licensing or self-commercializing an invention or technology that arises from research funded by CIRM, as set forth



below. All revenues received pursuant to this paragraph or regulations adopted to implement this paragraph shall be deposited in the General Fund for use consistent with Section 202(c)(7) of Title 35 of the United States Code, if applicable.

(A) (i) A grantee that licenses an invention or technology that arises from a research program funded by CIRM, regardless of the number of grants awarded to that research program, shall pay 25 percent of the revenues it receives in excess of five hundred thousand dollars (\$500,000), in the aggregate, to the General Fund. The threshold amount of five hundred thousand dollars (\$500,000) shall be adjusted annually by a multiple of a fraction, the denominator of which is the Consumer Price Index, All Urban Consumers, All Items (San Francisco-Oakland-San Jose; 1982-84=100) as prepared by the Bureau of Labor Statistics of the United States Department of Labor and published for the month of October 2009, and the numerator of which is that index published for the month in which the grantee accepts the grant. *For awards made on or after November 5, 2020, the threshold amount of five hundred thousand dollars (\$500,000) shall be adjusted annually by a multiple of a fraction, the denominator of which is the Consumer Price Index, All Urban Consumers, All Items (San Francisco-Oakland-San Jose; 1982-84=100) as prepared by the Bureau of Labor Statistics of the United States Department of Labor and published for the month of October 2020, and the numerator of which is that index published for the month in which the grantee accepts the grant.*

(ii) If funding sources other than CIRM directly contributed to the development of the invention or technology, then the return to the General Fund shall be calculated as follows: The amount of CIRM funding for the invention or technology shall be divided by the total of funding provided by all sources, and that fraction shall be multiplied by 25. That numeral is the percentage due to the General Fund.

(B) (i) A grantee that self-commercializes a product that results from an invention or technology that arises from research funded by CIRM shall pay an amount to the General Fund equal to three times the total amount of the CIRM grant or grants received by the grantee in support of the research that contributed to the creation of the product. The rate of payback of the royalty shall be at a rate of 3 percent of the annual net revenue received by the grantee from the product.

(ii) In addition to the payment required by clause (i), the first time that net commercial revenues earned by the grantee from the product exceed two hundred fifty million dollars (\$250,000,000) in a calendar year, the grantee shall make a one-time payment to the General Fund equal to three times the total amount of the grant or grants awarded by CIRM to the grantee in support of the research that contributed to the creation of the product.

(iii) In addition to the payments required by clauses (i) and (ii), the first time that net commercial revenues earned by the grantee from the product exceed five hundred million dollars (\$500,000,000) in a calendar year, the grantee shall make an additional one-time payment to the General Fund equal to three times the total amount of the grant or grants awarded by CIRM to the grantee in support of the research that contributed to the creation of the product.

(iv) In addition to the payments required by clauses (i), (ii), and (iii), the first time that net commercial revenues earned by the grantee from the product equal or exceed five hundred million dollars (\$500,000,000) in a calendar year, the grantee shall pay the General Fund 1 percent annually of net commercial revenue in excess of five hundred million dollars (\$500,000,000) for the life of any patent covering the invention or technology, if the grantee patented its invention or technology and received a CIRM grant or grants amounting to more than five million dollars (\$5,000,000) in support of the research that contributed to the creation of the product.

(3) The ICOC shall have the authority to adopt regulations to implement this subdivision. The ICOC shall also have the authority to modify the formulas specified in subparagraphs (A) and (B) of paragraph (2) through regulations if the ICOC determines pursuant to paragraph (1) that a modification is required either in order to ensure that essential medical research, including, but not limited to, therapy development and the broad delivery of therapies to patients, is not unreasonably hindered, or to ensure that the State of California has an opportunity to benefit from the patents, royalties, and licenses that result from basic research, therapy development, and clinical trials. The ICOC shall notify the appropriate fiscal and policy committees of the Legislature 10 calendar days before exercising its authority to vote on the modification of the formulas specified in subparagraphs (A) and (B) of paragraph (2). *The amendments made to this subdivision are not intended to affect the institute's authority to modify the provisions set forth in this subdivision pursuant to this paragraph, including, but not limited to, any modifications that occurred prior to the effective date of the initiative amending this subdivision.*

(k) Preference for California Suppliers

The ICOC shall establish standards to ensure that grantees purchase goods and services from California suppliers to the extent reasonably possible, in a good faith effort to achieve a goal of more than 50 percent of such purchases from California suppliers.

(l) *Additional Accountability Requirements*

*To assure strict accountability and transparency, including rigorous conflict of interest rules, ethical research and treatment standards, and independent*

*financial audits, every four years the ICOC shall update, at its discretion, the standards relating to conflict of interest rules, ethical research and treatment, and independent financial audits, to be generally aligned with standards adopted by the National Academy of Sciences to the extent that those standards are consistent with constitutional and statutory requirements applicable to the institute.*

SEC. 11. Section 125290.35 of the Health and Safety Code is amended to read:

125290.35. Medical and Scientific Accountability Standards

(a) Medical Standards

In order to avoid duplication or conflicts in technical standards for scientific and medical research, with alternative state programs, the institute will develop its own scientific and medical standards to carry out the specific controls and intent of the act, notwithstanding subdivision (b) of Section Sections 125300, Sections 125320, 125118, ~~125118.5~~, 125119, 125119.3, and 125119.5, or any other current or future state laws or regulations dealing with the study and research of pluripotent stem cells and/or progenitor cells, or other vital research opportunities, except Section 125315. The ICOC, its working committees, and its grantees shall be governed solely by the provisions of this act in the establishment of standards, the award of grants, and the conduct of grants awarded pursuant to this act.

(b) The ICOC shall establish standards as follows:

(1) Informed Consent

Standards for obtaining the informed consent of research donors, patients, or participants, which initially shall be generally based on the standards in place on January 1, 2003, for all research funded by the National Institutes of Health, with modifications to adapt to the mission and objectives of the institute.

(2) Controls on Research Involving Humans

Standards for the review of research involving human subjects which initially shall be generally based on the Institutional Review Board standards promulgated by the National Institutes of Health and in effect on January 1, 2003, with modifications to adapt to the mission and objectives of the institute.

(3) Prohibition on Compensation

Standards prohibiting compensation to research donors or participants, while permitting reimbursement of expenses.

(4) Permitted Reimbursement

*Standards permitting reimbursement for expenses, including, but not limited to, medical expenses and lodging, meals, and travel expenses, for research participants and caregivers in order to ensure functional access to clinical trials. For purposes of this paragraph, "caregivers" includes family members,*

*friends, and professional caregivers providing supportive care.*

~~(4)~~ (5) Patient Privacy Laws

Standards to assure compliance with state and federal patient privacy laws.

~~(5)~~ (6) Limitations on Payments for Cells

Standards limiting payments for the purchase of stem cells or stem cell lines to reasonable payment for the removal, processing, disposal, preservation, quality control, storage, transplantation, or implantation or legal ~~transaction costs~~ or other administrative costs associated with these medical procedures and specifically including any required payments for medical or scientific technologies, products, or processes for royalties, patent, or licensing fees or other costs for intellectual property.

~~(6)~~ (7) Time Limits for Obtaining Cells

Standards setting a limit on the time during which cells may be extracted from blastocysts, which shall initially be ~~8~~ up to 12 days after cell division begins, not counting any time during which the blastocysts and/or cells have been stored frozen.

(8) Standards for Genetic Medical Treatments and Research

*Standards for research involving genetic medical treatments that shall, in the ICOC's discretion, generally be based on the standards adopted by the National Academy of Sciences.*

SEC. 12. Section 125290.40 of the Health and Safety Code is amended to read:

125290.40. ICOC Functions

The ICOC shall perform the following functions:

(a) Oversee the operations of the institute.

(b) Develop annual and long-term strategic research and financial plans for the institute.

(c) Make final decisions on research standards and grant awards in California *across the research and therapy development and delivery spectrum, from stem cell discovery research and early development to clinical trials and therapy delivery.*

(d) Ensure the completion of an annual financial audit of the institute's operations.

(e) Issue public reports on the activities of the institute.

~~(f) Establish~~ *Develop and implement programs to enhance patient access to affordable stem cell and related treatments and cures through public hospitals and clinics and establish policies regarding intellectual property rights arising from research funded by the institute.*

*(g) Establish and oversee the institute's research, therapy development, and therapy delivery programs, including, but not limited to, the Alpha Stem Cell*

*Clinics and Community Care Centers of Excellence, training and fellowship, and shared research laboratory programs.*

~~(h)~~ *Establish and oversee the development of policies and programs to help make treatments and cures arising from institute-funded research available and affordable for California patients, through engagement with health care providers, research and therapy development institutions, businesses, governmental agencies, philanthropists, foundations, and patient advocacy groups, and based on recommendations made by the Treatments and Cures Accessibility and Affordability Working Group.*

~~(g)~~ *(i) Establish rules and guidelines for the operation of the ICOC and its working groups.*

~~(h)~~ *(j) Perform all other acts necessary or appropriate in the exercise of its power, authority, and jurisdiction over the institute.*

~~(i)~~ *(k) Select members of the working groups.*

~~(j)~~ *(l) Adopt, amend, and rescind rules and regulations to carry out the purposes and provisions of this chapter, and to govern the procedures of the ICOC. Except as provided in subdivision ~~(k)~~ (m), these rules and regulations shall be adopted in accordance with the Administrative Procedure Act (Government Code, Title 2, Division 3, Part 1, Chapter 4.5 3.5, Sections ~~11371~~ 11340 et seq.).*

~~(k)~~ *(m) Notwithstanding the Administrative Procedure Act (APA), and in order to facilitate the immediate commencement of research covered by this chapter, the ICOC may adopt interim regulations without compliance with the procedures set forth in the APA. The interim regulations shall remain in effect for 270 days unless earlier superseded by regulations adopted pursuant to the APA. For purposes of subdivision (l), requests for applications, program announcements, and notices of award shall not be considered regulations.*

~~(l)~~ *(n) Request the issuance of bonds from the California Stem Cell Research and Cures Finance Committee and loans from the Pooled Money Investment Board.*

~~(m)~~ *(o) May annually modify its funding and finance programs to optimize the institute's ability to achieve the objective that its activities be revenue-positive for the State of California during its first five years of operation without jeopardizing the progress of its core medical and scientific research program.*

~~(n)~~ *(p) Notwithstanding Section 11005 of the Government Code, accept additional revenue and real and personal property, including, but not limited to, gifts, royalties, interest, and appropriations that may be used to supplement annual research grant funding and the operations of the institute.*

~~(o)~~ *Under the guidance of the ICOC, the institute shall create a succession plan addressing changes in*

~~leadership of both the institute and the ICOC designed to minimize disruption and adverse impacts to the activities of the institute. A copy of the succession plan shall be transmitted to the Governor, Controller, and the Legislature within 30 days of its completion. The succession plan should include, but is not limited to:~~

~~(1) An assessment of leadership needs before beginning a search.~~

~~(2) An outline of succession procedures.~~

~~(3) Strategies to ensure successful knowledge transfer.~~

*(q) Subject to the restrictions set forth in this article, develop conflict of interest standards, and at its discretion, consult with the National Academy of Sciences and the Scientific and Medical Accountability Standards Working Group, for the consideration of funding awards based on best practices established by the National Academy of Sciences to prevent conflicts of interest in the award of research funding and update those standards no less than every four years to be, at the ICOC's discretion, generally aligned with standards adopted by the National Academy of Sciences, subject to the constitutional and statutory requirements applicable to the institute.*

SEC. 13. Section 125290.45 of the Health and Safety Code is amended to read:

125290.45. ICOC Operations

(a) Legal Actions and Liability

(1) The institute may sue and be sued.

(2) Based upon ICOC standards, institute grantees shall indemnify or insure and hold the institute harmless against any and all losses, claims, damages, expenses, or liabilities, including attorneys' fees, arising from research conducted by the grantee pursuant to the grant, and/or, in the alternative, grantees shall name the institute as an additional insured and submit proof of such insurance.

(3) Given the scientific, medical, and technical nature of the issues facing the ICOC, and notwithstanding Section 11042 of the Government Code, the institute is authorized to retain outside counsel when the ICOC determines that the institute requires specialized services not provided by the Attorney General's office.

(4) The institute may enter into any contracts or obligations which are authorized or permitted by law.

(b) Personnel

(1) The ICOC shall from time to time determine the total number of authorized employees for the institute, *which number shall not exceed 70 employees (full-time equivalent)*, excluding members of the working groups and members of the ICOC, who shall not be considered institute employees, and excluding up to 15 additional institute employees (full-time



equivalent) to support the development of policies and programs to help make treatments and cures arising from institute-funded research available and affordable for Californians. The cap on employees shall not apply to employees funded through sources other than bond proceeds or the General Fund. The ICOC shall select a chairperson, vice chairperson, and president who shall exercise all of the powers delegated to them by the ICOC. The following functions apply to the chairperson, vice chairperson, and president:

(A) The chairperson's primary responsibilities are to manage the ICOC agenda and workflow including all evaluations and approvals of scientific and medical working group grants, loans, facilities, and standards evaluations, and to supervise all annual reports and public accountability requirements; to manage and optimize the institute's bond financing plans and funding cashflow plan; to interface with the California Legislature, the United States Congress, the California health care system, and the California public; to optimize all financial leverage opportunities for the institute, *including, without limitation, generating matching or supplemental funds through collaborations with other states, nations, territories, or institutions*; and to lead negotiations for intellectual property agreements, policies, and contract terms. The chairperson shall also serve as a member of the *Treatments and Cures Accessibility and Affordability Working Group*, the Scientific and Medical Accountability Standards Working Group, and the Scientific and Medical Research Facilities Working Group and as an ex officio member of the Scientific and Medical Research Funding Working Group. The vice chairperson's primary responsibilities are to support the chairperson in all duties and to carry out those duties in the chairperson's absence.

(B) The president's primary responsibilities are to serve as the chief executive of the institute; to recruit the highest scientific and medical talent in the United States to serve the institute on its working groups; to serve the institute on its working groups; to direct ICOC staff and participate in the process of supporting all working group requirements to develop recommendations on grants, loans, facilities, and standards as well as to direct and support the ICOC process of evaluating and acting on those recommendations, the implementation of all decisions on these and general matters of the ICOC; to hire, direct, and manage the staff of the institute; to develop the budgets and cost control programs of the institute; to manage compliance with all rules and regulations of the ICOC, including the performance of all grant recipients; and to manage and execute all intellectual property agreements and any other contracts pertaining to the institute or research it funds.

(2) Each member of the ICOC except, the chairperson, vice chairperson, and ~~president~~ *the members*

*appointed pursuant to paragraphs (3), (4), (5), and (6) of subdivision (a) of Section 125290.20, who shall be compensated pursuant to paragraph (3), shall receive a per diem of one hundred dollars (\$100) per day (adjusted annually for cost of living) for each day actually spent in the discharge of the member's duties, plus reasonable and necessary travel and other expenses incurred in the performance of the member's duties.*

(3) The ICOC shall establish daily consulting rates and expense reimbursement standards for the members of all of its working groups, *including the members of the ICOC appointed pursuant to paragraphs (3), (4), (5), and (6) of subdivision (a) of Section 125290.20. The daily consulting rate shall include time spent in preparation for, and participation in, institute, working group, and ICOC meetings and shall include compensation and expense reimbursement for caregivers when necessary to facilitate a member's participation in a meeting as a result of the member's medical condition.*

(4) Notwithstanding Section 19825 of the Government Code, the ICOC shall set compensation for the chairperson, vice chairperson, and president and other officers, and for the scientific, medical, technical, and administrative staff of the institute within the range of compensation levels for executive officers and scientific, medical, technical, and administrative staff of medical schools within the University of California system and the nonprofit academic and research institutions described in paragraph (2) of subdivision (a) of Section 125290.20, *and travel expense reimbursement rates and moving and relocation expense limits.*

SEC. 14. Section 125290.50 of the Health and Safety Code is amended to read:

125290.50. Scientific and Medical Working Groups—General

(a) The institute shall have, and there is hereby established, ~~three~~ *four* separate scientific and medical working groups as follows:

(1) Scientific and Medical Research Funding Working Group.

(2) Scientific and Medical Accountability Standards Working Group.

(3) Scientific and Medical Research Facilities Working Group.

(4) *Treatments and Cures Accessibility and Affordability Working Group.*

(b) Working Group Members

(1) Appointments of scientific and medical working group members shall be made by a majority vote of a quorum of the ICOC, within 30 days of the election and appointment of the initial ICOC members. The working group members' terms shall be six years except that, after the first six-year terms, the

members' terms will be staggered so that one-third of the members shall be elected for a term that expires two years later, one-third of the members shall be elected for a term that expires four years later, and one-third of the members shall be elected for a term that expires six years later. Subsequent terms are for six years. Working group members may serve a maximum of two consecutive terms, *provided that the ICOC may, by a two-thirds vote of a quorum, reappoint non-ICOC working group members to serve more than two consecutive terms.*

(2) *Appointments of members of the Treatments and Cures Accessibility and Affordability Working Group shall be made by a majority vote of a quorum of the ICOC, within 90 days of the effective date of the initiative adding this paragraph. The working group members' terms shall be six years, and members may serve a maximum of two consecutive terms, provided that the ICOC may, by a two-thirds vote of a quorum, reappoint non-ICOC working group members to serve more than two consecutive terms.*

(3) *The ICOC may appoint ad hoc voting members to each working group as necessary to obtain expertise for a particular expert review session, not to exceed three members for any one expert review session.*

(c) Working Group Meetings

Each scientific and medical working group shall hold at least four meetings per year, one of which shall be designated as its annual meeting, *except as otherwise determined by the institute.*

(d) Working Group Recommendations to the ICOC

Recommendations of each *panel* of the working groups may be forwarded to the ICOC only by a vote of a majority of a quorum of the members of each *panel* for that working group. If 35 percent of the members of any working group ~~join together in a minority position~~ *panel award scores in the funding range, a minority recommendation report, including a summary of the strengths and weaknesses of the application and a rebuttal to the majority recommendation, shall* ~~may~~ be submitted to the ICOC. The ICOC shall consider the recommendations of the working groups in making its decisions on applications for research and facility grants and loan awards and in adopting regulatory standards, *policies, and programs.* Each working group shall recommend to ICOC rules, procedures, and practices for that working group.

(e) Conflict of Interest

(1) The ICOC shall adopt conflict of interest rules, based on standards applicable to members of scientific review committees of the National Institutes of Health, to govern the participation of non-ICOC working group members.

(2) The ICOC shall appoint an ethics officer from among the staff of the institute.

(3) Because the working groups are purely advisory and have no final decisionmaking authority, members of the working groups shall not be considered public officials, employees, or consultants for purposes of the Political Reform Act (Title 9 (commencing with Section 81000) of the Government Code), Sections 1090 and 19990 of the Government Code, and Sections 10516 and 10517 of the Public Contract Code.

(f) Working Group Records

All records of the working groups submitted as part of the working groups' recommendations to the ICOC for approval shall be subject to the Public Records Act. Except as provided in this subdivision, the working groups shall not be subject to the provisions of Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code, or Article 1 (commencing with Section 6250) of Chapter 3.5 of Division 7 of Title 1 of the Government Code.

SEC. 15. Section 125290.55 of the Health and Safety Code is amended to read:

125290.55. Scientific and Medical Accountability Standards Working Group

(a) Membership

The Scientific and Medical Accountability Standards Working Group shall have 19 members as follows:

(1) Five ICOC members from the 10 groups that focus on disease-specific areas described in paragraphs (3), (4), and (5) of subdivision (a) of Section 125290.20 *or from the members appointed pursuant to paragraph (6) of subdivision (a) of Section 125290.20.*

(2) Nine scientists and clinicians nationally recognized in the field of pluripotent and progenitor cell research.

(3) Four medical ethicists.

(4) The Chairperson of the ICOC.

(b) Functions

The Scientific and Medical Accountability Standards Working Group shall have the following functions:

(1) To recommend to the ICOC scientific, medical, and ethical standards.

(2) To recommend to the ICOC standards for all medical, socioeconomic, and financial aspects of clinical trials and therapy delivery to patients, including, among others, standards for safe and ethical procedures for obtaining materials and cells for research and clinical efforts for the appropriate treatment of human subjects in medical research consistent with paragraph (2) of subdivision (b) of Section 125290.35, and to ensure compliance with patient privacy laws.



(3) To recommend to the ICOC modification of the standards described in paragraphs (1) and (2) as needed.

(4) To make recommendations to the ICOC on the oversight of funded research to ensure compliance with the standards described in paragraphs (1) and (2).

(5) To advise the ICOC, the Scientific and Medical Research Funding Working Group, and the Scientific and Medical Research Facilities Working Group, on an ongoing basis, on relevant ethical and regulatory issues.

SEC. 16. Section 125290.60 of the Health and Safety Code is amended to read:

125290.60. Scientific and Medical Research Funding Working Group

(a) Membership

The Scientific and Medical Research Funding Working Group shall have at least 23 members as follows:

(1) Seven ICOC members from the ~~± 12~~ disease advocacy group members described in paragraphs (3), (4), and (5) of subdivision (a) of Section 125290.20 or from the members described in paragraph (6) of subdivision (a) of Section 125290.20.

(2) At least 15 scientists nationally recognized in the field of stem cell research or other vital research opportunities, 15 of whom shall be designated to serve on each expert review panel.

(3) The Chairperson of the ICOC.

(b) Functions

The Scientific and Medical Research Funding Working Group shall perform the following functions:

(1) Recommend to the ICOC interim and final criteria, standards, and requirements for considering funding applications and for awarding research grants and loans.

(2) Recommend to the ICOC standards for the scientific and medical oversight of awards.

(3) Recommend to the ICOC any modifications of the criteria, standards, and requirements described in paragraphs (1) and (2) above as needed.

(4) Review grant and loan applications based on the criteria, requirements, and standards adopted by the ICOC and make recommendations to the ICOC for the award of research, therapy development, and clinical trial, and therapy delivery grants and loans.

(5) Conduct ~~peer-group~~ expert peer review and progress oversight reviews of grantees to ensure compliance with the terms of the award, and report to the ICOC any recommendations for subsequent action.

(6) Recommend to the ICOC standards for the evaluation of grantees to ensure that they comply with all applicable requirements. Such standards shall mandate periodic reporting by grantees and shall

authorize the Scientific and Medical Research Funding Working Group to audit a grantee and forward any recommendations for action to the ICOC.

(7) Recommend its first grant awards within 60 days of the issuance of the interim standards.

(c) Recommendations for Awards

Award recommendations shall be based upon a competitive evaluation as follows:

~~A peer~~ An expert peer review panel shall consist of both scientists and patient advocates. There shall be 15 scientists on ~~a peer~~ each expert peer review panel. Only the scientist members of the Scientific and Medical Research Funding Working Group shall score grant and loan award applications for scientific merit. Such scoring shall be based on scientific merit in three separate classifications—research, therapy development, and clinical trials, on criteria including the following:

(1) A demonstrated record of achievement in the areas of pluripotent stem cell and progenitor cell biology and medicine, ~~unless the research is determined to be a vital research opportunity or in other vital research opportunities.~~

(2) The quality of the research proposal, the potential for achieving significant research, or clinical results, the timetable for realizing such significant results, the importance of the research objectives, and the innovativeness of the proposed research.

(3) In order to ensure that institute funding does not duplicate or supplant existing funding, a high priority shall be placed on funding pluripotent stem cell and progenitor cell research that cannot, or is unlikely to, receive timely or sufficient federal funding, unencumbered by limitations that would impede the research. In this regard, other research categories funded by the National Institutes of Health shall not be funded by the institute, *unless such research funding is not timely or sufficient.*

(4) Notwithstanding paragraph (3), other scientific and medical research and technologies and/or any stem cell research proposal not actually funded by the institute under paragraph (3) may be funded by the institute if at least two-thirds of a quorum of the members of the Scientific and Medical Research Funding Working Group recommend to the ICOC, or if a majority of a quorum of the members of the ICOC determine, that such a research proposal is a vital research opportunity.

SEC. 17. Section 125290.70.5 is added to the Health and Safety Code, to read:

125290.70.5. Appropriation and Allocation of Funding

(a) Moneys in the California Stem Cell Research and Cures Fund shall be allocated as follows:

(1) (A) No less than 95.5 percent of the proceeds of the bonds authorized pursuant to Section 125291.110, net of bond proceeds allocated to purposes described in paragraphs (4) and (5) of subdivision (a) of Section 125291.100, shall be used for grants and grant oversight as provided in this chapter.

(B) Not less than 98 percent of the proceeds of bonds used for grants shall be used for research, therapy development, and therapy delivery grants, with no more than the following amounts, as stipulated below, to be committed during the first 10 years following the effective date of the initiative adding this subparagraph, with each year's funding commitments to be advanced over a period of one to seven years, except that any such funds that are not committed may be carried over to one or more following years. The maximum amount of research funding to be allocated annually is as follows: year 1, 11 percent; year 2, 11 percent; years 3 through 10, 9 percent; and year 11 and each year thereafter, 6 percent cumulatively. To accomplish the goals of Section 125290.75, up to 2 percent of the amount available for grants may be used for research consulting in support of access to, and the affordability of, treatments and cures arising from institute-funded research and therapy development and delivery, as determined by the governing board of the institute based on the recommendations of the Treatments and Cures Accessibility and Affordability Working Group and the president.

(C) Not more than 3 percent of the proceeds of bonds authorized by Section 125291.110 may be used by the institute for research and research facilities implementation costs, including the development, administration, and oversight of the grant-making process.

(2) (A) Not more than 3.5 percent of the proceeds of the bonds authorized pursuant to Section 125291.110 shall be used for the costs of general administration of the institute.

(B) Not more than 1 percent of the proceeds of the bonds authorized pursuant to Section 125291.110 may be used by the institute to pay for the costs of up to 15 full-time employees over 10 to 15 or more years, including, but not limited to, administrative support, facilities costs, salary, benefits, travel reimbursement, and meeting costs, to support the work of the institute to develop policies and programs to help Californians obtain access to human clinical trials, therapies, mitigating treatments, and cures arising from institute-funded research and to promote the accessibility and affordability of human clinical trials, treatments, and cures for Californians.

(3) In any single year, any new research funding to any single grantee for any program year is limited to no more than 1 percent of the total bonds authorized pursuant to Section 125291.110. This limitation

shall be considered separately for each new proposal without aggregating any prior year approvals that may fund research activities. This requirement shall be determinative, unless 65 percent of a quorum of the ICOC approves a higher limit for that grantee.

(4) Up to 1.5 percent of the proceeds of the bonds authorized pursuant to Section 125291.110, net of costs described in paragraphs (2), (4), and (5) of subdivision (a) of Section 125291.100, shall be allocated for grants to build, equip, or fund operations of Community Care Centers of Excellence and up to one-half of 1 percent shall be allocated to build or equip shared labs, which are intended to be operational in the first five years following the effective date of the initiative adding this section. Funding received by a grantee from an institute award for construction shall be subject to prevailing wage laws.

(5) The institute shall limit indirect costs to no more than 25 percent of a research award, excluding amounts included in a facilities award, except that the indirect cost limitation may be increased by that amount by which the grantee provides matching funds in excess of 20 percent of the grant amount.

(b) The institute's funding schedule is designed to create a positive tax revenue stream for the State of California during the first five calendar years following the voters' approval of the initiative adding this section, without drawing funds from the state General Fund for principal and interest payments for those first five calendar years.

(c) The institute shall allocate at least one billion five hundred million dollars (\$1,500,000,000) of the proceeds of the bonds authorized pursuant to Section 125291.110 to make grants for research, therapy development, and therapy delivery involving diseases and conditions of the brain and central nervous system, including, but not limited to, Alzheimer's disease, Parkinson's disease, stroke, dementia, epilepsy, schizophrenia, depression, traumatic brain injury, brain cancer, and autism, and for grant oversight and general administration costs associated with these grants and loans, subject to the limits in subparagraph (C) of paragraph (1) and subparagraph (A) of paragraph (2) of subdivision (a).

(d) The allocation of the proceeds of bonds authorized pursuant to Section 125291.30 shall continue to be governed by Section 125290.70.

SEC. 18. Section 125291.15 of the Health and Safety Code is amended to read:

125291.15. As used in this article, the California Stem Cell Research and Cures Bond Act of 2004, the following terms have the following meaning:

(a) "Act" means the California Stem Cell Research and Cures Bond Act constituting Chapter 3 (commencing with Section 125290.10) of Part 5 of Division 106.

(b) “Board” or “institute” means the California Institute for Regenerative Medicine designated in accordance with subdivision (b) of Section 125291.40.

(c) “Committee” means the California Stem Cell Research and Cures Finance Committee created pursuant to subdivision (a) of Section 125291.40.

(d) “Fund” means the California Stem Cell Research and Cures Fund created pursuant to Section 125291.25.

(e) “Interim debt” means any interim loans pursuant to ~~subdivision (b) of Section 125290.70, and Sections 125291.60 and 125291.65,~~ bond anticipation notes or commercial paper notes issued to make deposits into the fund and which will be paid from the proceeds of bonds issued pursuant to this article.

SEC. 19. Section 125291.35 of the Health and Safety Code is amended to read:

125291.35. The bonds authorized by this article shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all of the provisions of that law, *as amended from time to time*, except *subdivisions (a) and (b) of Section 16727 of the Government Code* apply to the bonds and to this article and are hereby incorporated in this article as though set forth in full in this article.

SEC. 20. Section 125291.60 of the Health and Safety Code is amended to read:

125291.60. ~~The~~ *For the purpose of carrying out this article, the* Director of Finance may authorize the withdrawal from the General Fund of an amount or amounts, not to exceed the amount of the unsold bonds that have been authorized by the committee, to be sold for the purpose of carrying out this article, *excluding any refunding bonds authorized pursuant to Section 125291.75, less any amount loaned pursuant to Section 125291.65 and not yet repaid, and any amount withdrawn from the General Fund pursuant to this section and not yet returned to the General Fund.* Any amount withdrawn shall be deposited in the fund. Any money made available under this section shall be returned to the General Fund, plus an amount equal to the interest that the money would have earned in the Pooled Money Investment Account, from money received from the sale of bonds for the purpose of carrying out this article.

SEC. 21. Section 125291.65 of the Health and Safety Code is amended to read:

125291.65. The institute may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account in accordance with Section 16312 of the Government Code for the

purposes of carrying out this article, *excluding any refunding bonds authorized pursuant to Section 125291.75, less any amount loaned pursuant to this section and not yet repaid, and any amount withdrawn from the General Fund pursuant to Section 125291.60 and not yet returned to the General Fund.* The amount of the request shall not exceed the amount of the unsold bonds that the committee, by resolution, has authorized to be sold for the purpose of carrying out this article. The institute shall execute any documents required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the institute in accordance with this article.

SEC. 22. Section 125291.70 of the Health and Safety Code is amended to read:

125291.70. All money deposited in the fund that is derived from premium and accrued interest on bonds sold shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest, *except that amounts derived from premium may be reserved and used to pay costs of issuance prior to any transfer to the General Fund.*

SEC. 23. Section 125291.75 of the Health and Safety Code is amended to read:

125291.75. The bonds *issued and sold pursuant to this article* may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code, which is a part of the State General Obligation Bond Law. Approval by the voters of the state for the issuance of the bonds described in this article includes the approval of the issuance of any bonds issued to refund any bonds originally issued under this article or any previously issued refunding bonds. *Any bond refunded with the proceeds of refunding bonds as authorized by this section may be legally defeased to the extent permitted by law in the manner and to the extent set forth in the resolution, as amended from time to time, authorizing that refunded bond.*

SEC. 24. Article 2.5 (commencing with Section 125291.90) is added to Chapter 3 of Part 5 of Division 106 of the Health and Safety Code, to read:

*Article 2.5. California Stem Cell Research, Treatments, and Cures Bond Act of 2020*

*125291.90. This article shall be known, and may be cited, as the California Stem Cell Research, Treatments, and Cures Bond Act of 2020.*

*125291.95. As used in this article, the following terms have the following meanings:*

*(a) “Act” means the California Stem Cell Research and Cures Act constituting this chapter, as amended*



by the California Stem Cell Research, Treatments, and Cures Initiative of 2020.

(b) “Board” or “institute” means the California Institute for Regenerative Medicine designated in accordance with subdivision (b) of Section 125291.120.

(c) “Committee” means the California Stem Cell Research and Cures Finance Committee created pursuant to subdivision (a) of Section 125291.40 and designated in accordance with subdivision (a) of Section 125291.120.

(d) “Fund” means the California Stem Cell Research, Treatments, and Cures Fund of 2020 created pursuant to Section 125291.105.

(e) “Interim debt” means any interim loans pursuant to Sections 125291.140 and 125291.145, bond anticipation notes, or commercial paper notes issued to make deposits into the fund and that will be paid from the proceeds of bonds issued pursuant to this article.

125291.100. (a) Notwithstanding Section 13340 of the Government Code or any other provision of law, moneys in the fund are appropriated without regard to fiscal years to the institute for the following purposes:

(1) Making grants or loans to fund research and construct facilities for research, all as described in and pursuant to Section 125290.70.5.

(2) Paying general administrative costs of the institute (not to exceed 3.5 percent in accordance with subparagraph (A) of paragraph (2) of subdivision (a) of Section 125290.70.5).

(3) Paying the annual administration costs of any interim debt or bonds after December 31 of the fifth full calendar year after this section takes effect.

(4) Paying the costs of issuing interim debt, paying the annual administration costs of the interim debt until and including December 31 of the fifth full calendar year after this section takes effect, and paying interest on interim debt, if such interim debt is incurred or issued on or prior to December 31 of the fifth full calendar year after this section takes effect.

(5) Paying the costs of issuing bonds, paying the annual administration costs of the bonds until and including December 31 of the fifth full calendar year after this section takes effect, and paying interest on bonds that accrues on or prior to December 31 of the fifth full calendar year after this section takes effect, except that such limitation does not apply to premium and accrued interest as provided in Section 125291.150.

(b) Moneys in the fund or other proceeds of the sale of bonds authorized by this article may be used to pay principal of, redemption price, including accrued interest, or premium on any interim debt issued prior to the initial issuance of bonds authorized by this article. Moneys deposited in the fund from the

proceeds of interim debt may be used to pay general administrative costs of the institute without regard to the 3.5 percent limit set forth in paragraph (2) of subdivision (a), so long as such 3.5 percent limit is satisfied for each issue of bonds.

(c) Repayment of principal and interest on any loans made by the institute pursuant to this article shall be deposited in the fund and used for the purposes of Section 125290.70.5, including the institute’s administrative costs, or for paying continuing costs of the annual administration of outstanding bonds.

125291.105. The proceeds of interim debt and bonds issued and sold pursuant to this article shall be deposited in the State Treasury to the credit of the California Stem Cell Research and Cures Fund of 2020, which is hereby created in the State Treasury, except to the extent that proceeds of the issuance of bonds are used directly to repay interim debt.

125291.110. Bonds in the total amount of five billion five hundred million dollars (\$5,500,000,000), not including the amount of any refunding bonds issued in accordance with Section 125291.155, or as much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this article, to be used and sold for carrying out the purposes of Section 125291.100, and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and shall constitute a valid and binding obligation of the state, and the full faith and credit of the state is hereby pledged for the punctual payment of both the principal of, and interest on, the bonds as the principal and interest become due and payable.

125291.115. The bonds authorized by this article shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code) and all of the provisions of that law, as amended from time to time, except subdivisions (a) and (b) of Section 16727 apply to the bonds and to this article and are hereby incorporated in this article as though set forth in full in this article.

125291.120. (a) Solely for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), of the bonds and interim debt authorized by this article, the California Stem Cell Research and Cures Finance Committee, established pursuant to Section 125291.40, is hereby designated as “the committee” as that term is used in the State General Obligation Bond Law.

(b) For purposes of the State General Obligation Bond Law, the California Institute for Regenerative Medicine Governing Board is designated the “board.”

125291.125. (a) The committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this article in order to carry out the actions specified in this article and, if so, the amount of bonds to be issued and sold. The Treasurer shall use reasonable efforts to sell bonds with pricing at par or better and to pay the issuance costs out of premium if reasonably achievable and in the best interests of the state, at the Treasurer’s discretion. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time. The bonds may bear interest, which is includable in gross income for federal income tax purposes if the committee determines that such treatment is necessary in order to provide funds for the purposes of the act. The costs of each bond issue sold on or after the 61st month after this article takes effect shall be at the discretion of the Treasurer and may be amortized over or up to a 40-year period.

(b) The total amount of the bonds authorized by Section 125291.110 that may be issued in any calendar year, commencing in 2021, shall not exceed a cumulative average of five hundred forty million dollars (\$540,000,000). If less than this amount of bonds is issued in any year, the remaining permitted amount may be carried over to one or more subsequent years. Pursuant to Section 125291.140, the Director of Finance may, in the director’s discretion, authorize a loan from the General Fund to the institute on or after the effective date of this article.

(c) Until December 31 of the fifth full calendar year after this section becomes effective, all interest on any interim debt or bonds issued under this article will be paid from proceeds from the sale of that interim debt or bonds in accordance with the objective of this initiative of avoiding any debt service payments by the General Fund, both principal and interest, during the initial period of basic research and therapy development following the effective date of this section.

125291.130. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds becoming due each year. It is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act that is necessary to collect that additional sum.

125291.135. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the

purposes of this article, an amount that will equal the total of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this article, as the principal and interest become due and payable.

(b) The sum necessary to carry out Section 125291.140, appropriated without regard to fiscal years.

125291.140. For purposes of carrying out this article, the Director of Finance may authorize the withdrawal from the General Fund of an amount or amounts, not to exceed the amount of the unsold bonds that have been authorized by the committee, to be sold for the purpose of carrying out this article, excluding any refunding bonds authorized pursuant to Section 125291.155, less any amount loaned pursuant to Section 125291.145 and not yet repaid, and any amount withdrawn from the General Fund pursuant to this section and not yet returned to the General Fund. Any amount withdrawn shall be deposited in the fund. Any money made available under this section shall be returned to the General Fund, plus an amount equal to the interest that the money would have earned in the Pooled Money Investment Account, from money received from the sale of bonds for the purpose of carrying out this article.

125291.145. The institute may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account in accordance with Section 16312 of the Government Code for the purposes of carrying out this article. The amount of the loan shall not exceed the amount of the unsold bonds that the committee, by resolution, has authorized to be sold for the purpose of carrying out this article excluding any refunding bonds authorized pursuant to Section 125291.155, less any amount loaned pursuant to this section and not yet repaid, and any amount withdrawn from the General Fund pursuant to Section 125291.140 and not yet returned to the General Fund. The institute shall execute any documents required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the institute in accordance with this article.

125291.150. All money deposited in the fund that is derived from premium and accrued interest on bonds sold shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest, except the amounts derived from premium may be reserved and used to pay costs of issuance prior to any transfer to the General Fund.

125291.155. The bonds issued and sold pursuant to this article may be refunded in accordance with Article 6 (commencing with Section 16780) of



Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code, which is a part of the State General Obligation Bond Law. Approval by the voters of the state for the issuance of the bonds described in this article includes the approval of the issuance of any bonds issued to refund any bonds originally issued under this article or any previously issued refunding bonds. Any bond refunded with the proceeds of refunding bonds as authorized by this section may be legally defeased to the extent permitted by law in the manner and to the extent set forth in the resolution, as amended from time to time, authorizing that refunded bond.

125291.160. Notwithstanding any provision of this article or the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), if the Treasurer sells bonds pursuant to this article that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes, under designated conditions, the Treasurer may maintain separate accounts for the investment of bond proceeds and the investment earnings on those proceeds. The Treasurer may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or to take any other action with respect to the investment and use of bond proceeds required or desirable under federal law to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

125291.165. The proceeds from the sale of bonds authorized by this article are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, and the disbursement of these proceeds is not subject to the limitations imposed by that article.

SEC. 25. Section 125292.10 of the Health and Safety Code is amended to read:

125292.10. *Definitions*

As used in this chapter and in Article XXXV of the California Constitution, the following terms have the following meanings:

(a) "Act" means the California Stem Cell Research and Cures Bond Act constituting Chapter 3 (commencing with Section 125290.10) of Part 5 of Division 106 of the Health and Safety Code.

(b) "Adult stem cell" means an undifferentiated cell found in a differentiated tissue in an adult organism that can renew itself and may, with certain limitations, differentiate to yield all the specialized cell types of the tissue from which it originated, *including a cell that is committed to make all of the functional cells of the tissue or organ where it resides and regenerates but that is itself undifferentiated.*

(c) "Basic research" means the investigation of basic mechanisms underlying stem cell biology, cellular plasticity, cellular differentiation, and other vital research opportunities.

(d) "Capitalized interest" means interest funded by bond proceeds.

(e) "Committee" means the California Stem Cell Research and Cures Finance Committee created pursuant to subdivision (a) of Section 125291.40.

(f) "Constitutional officers" means the Governor, Lieutenant Governor, Treasurer, and Controller of California.

(g) "Early development" means discovery of promising new stem cell-based technologies that could be translated to enable broad use and ultimately improve patient care.

(h) "Facilities" means buildings, building leases, or capital equipment.

(i) "Floating-rate bonds" means bonds which do not bear a fixed rate of interest until their final maturity date, including commercial paper notes.

(j) "Fund" means the California Stem Cell Research and Disease Cures Fund created pursuant to Section 125291.25.

(k) "Grant" means a grant, loan, or guarantee.

(l) "Grantee" means a recipient of a grant from the institute. All University of California grantee institutions shall be considered as separate and individual grantee institutions.

(m) "Human reproductive cloning" means the practice of creating or attempting to create a human being by transferring the nucleus from a human cell into an egg cell from which the nucleus has been removed for the purpose of implanting the resulting product in a uterus to initiate a pregnancy.

(n) "Indirect costs" mean the recipient's costs in the administration, accounting, general overhead, and general support costs for implementing a grant or loan of the institute. NIH definitions of indirect costs will be utilized as one of the bases by the Scientific and Medical Research Standards Working Group to create a guideline for recipients on this definition, with modifications to reflect guidance by the ICOC and this act.

(o) "Institute" means the California Institute for Regenerative Medicine.

(p) "Interim standards" means temporary standards that perform the same function as "emergency regulations" under the Administrative Procedure Act (Government Code, Title 2, Division 3, Part 1, Chapter 4.5–3.5, Sections 11340 et seq.) except that in order to provide greater opportunity for public comment on the permanent regulations, remain in force for 270 days rather than 180 days.

(o) (q) “Life science commercial entity” means a firm or organization, headquartered in California, whose business model includes biomedical or biotechnology product development and commercialization.

(p) (r) “Medical ethicist” means an individual with advanced training in ethics who holds a Ph.D., MA, or equivalent training *in the biological sciences or the field of clinical medicine or clinical ethics* and who spends or has spent substantial time (1) researching and writing on ethical issues related to medicine, and (2) administering ethical safeguards during the clinical trial process, particularly through service on institutional review boards.

(q) (s) “Pluripotent cells” means cells that are capable of self-renewal, and have broad potential to differentiate into multiple adult cell types. Pluripotent stem cells may be derived from somatic cell nuclear transfer or from surplus products of in vitro fertilization treatments when such products are donated under appropriate informed consent procedures. These excess cells from in vitro fertilization treatments would otherwise be intended to be discarded if not utilized for medical research.

(r) (t) “Progenitor cells” means multipotent or precursor cells that are partially differentiated but retain the ability to divide and give rise to differentiated cells.

(s) (u) “Quorum” means at least 65 percent of the members who are eligible to vote.

(t) (v) “Research donor” means a human who donates biological materials for research purposes after full disclosure and consent.

(u) (w) “Research funding” includes interdisciplinary scientific and medical funding for ~~basic research~~, *all stages of research, including, but not limited to, stem cell discovery research, early development, translational research, therapy development, and the development of pharmacologies and treatments through clinical trials, including, without limitation, the reimbursement of patient-qualified costs for research participants and their caregivers pursuant to paragraph (4) of subdivision (b) of Section 125290.35; the operations of the working groups, including the costs associated with the expert review of applications; the costs of advisory groups and consultants established or retained to evaluate and advise the governing board, the working groups, and awardees; and research conferences.* When a facility’s grant or loan has not been provided to house all elements of the research, therapy development, and/or clinical trials, research funding shall include an allowance for a market lease rate of reimbursement for the facility. In all cases, operating costs of the facility, including, but not limited to, library and communication services, utilities, maintenance, janitorial, and security, shall be included as direct

research funding costs. Legal costs of the institute incurred in order to negotiate standards with federal and state governments and research institutions; to implement standards or regulations; to resolve disputes; and/or to carry out all other actions necessary to defend and/or advance the institute’s mission shall be considered direct research funding costs.

(v) (x) “Research participant” means a human enrolled with full disclosure and consent, and participating in clinical trials.

(y) “Research program” means *research projects that are designed to advance the same ultimate goal along the research continuum and that are conducted by the same or overlapping investigators.*

(w) (z) “Revenue positive” means all state tax revenues generated directly and indirectly by the research and facilities of the institute are greater than the debt service on the state bonds actually paid by the General Fund in the same year.

(x) (aa) “Stem cells” mean nonspecialized cells that have the capacity to divide in culture and to differentiate into more mature cells with specialized functions.

(ab) “Stem cell discovery research” means *basic research, early development, and the discovery, evaluation, or improvement of tools and technologies in the fields of stem cell and genetic research and other vital research opportunities.*

(y) (ac) “Vital research opportunity” means scientific and medical research and technologies, *including, but not limited to, genetics, personalized medicine, and aging as a pathology, and/or any stem cell research not actually funded by the institute under ~~subparagraph (C) of paragraph (1) paragraph (3) of subdivision (c) of Section 125290.60~~ which provides a substantially superior research opportunity, vital to advance medical science as determined by at least a two-thirds vote of a quorum of the members of the Scientific and Medical Research Funding Working Group and recommended as such by that working group to the ICOC, or as determined by the vote of a majority of a quorum of members of the ICOC.* Human reproductive cloning shall not be a vital research opportunity.

SEC. 26. Amendment.

The provisions of this initiative, except the bond provisions, may not be amended before the measure is approved by the voters. The provisions of this initiative may be amended after its approval by the voters by a statute that is passed by a vote of 70 percent of the members of each house of the Legislature and signed by the Governor, provided that such amendments are consistent with and further the intent of the grant and loan programs created by this initiative.

## SEC. 27. Severability.

If any provision of this initiative, or part of this initiative, or the application of any provision or part to any person or circumstances, is for any reason held to be invalid, the remaining provisions, or applications of provisions, shall not be affected, but shall remain in full force and effect, and to this end the provisions of this initiative are severable. If a court were to find in a final, unreviewable judgment that the exclusion of one or more entities or activities from the applicability of the initiative renders the initiative unconstitutional, those exceptions should be severed and the initiative should be made applicable to the entities or activities formerly exempt from the initiative. It is the intent of the voters that this initiative would have been enacted regardless of whether any invalid provision had been included or any invalid application had been made.

## SEC. 28. Conflicting Initiatives.

(a) In the event that this initiative and another measure addressing medical research or therapy development shall appear on the same statewide ballot, the provisions of the other measure or measures shall be deemed to conflict with this measure. In the event that this initiative receives a greater number of affirmative votes than a measure deemed to conflict with it, the provisions of this initiative shall prevail in their entirety, and the other measure or measures shall be null and void.

(b) If this initiative is approved by the voters but superseded by law by any other conflicting measure approved by voters by a greater number of votes at the same election, and the conflicting ballot measure is later held invalid, this initiative shall be self-executing and given full force and effect.

## SEC. 29. Standing.

Notwithstanding any other provision of law, if the state, or any of its officials fail to defend the constitutionality of this initiative, following its approval by the voters, any other state governmental agency of this state shall have the authority to intervene in any court action challenging the constitutionality of this initiative for the purpose of defending its constitutionality, whether such action is in state or federal trial court, on appeal, or on discretionary review by the Supreme Court of California and/or the Supreme Court of the United States. The reasonable fees and costs of defending the action shall be a charge on funds appropriated to the Department of Justice, which shall be satisfied promptly.

## SEC. 30. Liberal Construction.

This initiative shall be liberally construed to effectuate its purposes.



## Text of Proposed Laws

As required by law, the text of Proposition 14 is included in this guide because it is a bond measure. The text of proposed laws for all other propositions is available online at [voterguide.sos.ca.gov](http://voterguide.sos.ca.gov).

If you would like a printed copy of the text for Propositions 15–25:



Email the Secretary of State at [vigfeedback@sos.ca.gov](mailto:vigfeedback@sos.ca.gov)



Contact the Secretary of State's toll-free Voter Hotline at (800) 345-VOTE (8683)

# County Elections Offices

**Alameda County**

(510) 272-6933  
[www.acvote.org](http://www.acvote.org)

**Alpine County**

(530) 694-2281  
[www.alpinecountyca.gov](http://www.alpinecountyca.gov)

**Amador County**

(209) 223-6465  
[www.amadorgov.org/government/elections](http://www.amadorgov.org/government/elections)

**Butte County**

(530) 538-7761 or (800) 894-7761  
[www.buttevotes.net](http://www.buttevotes.net)

**Calaveras County**

(209) 754-6376  
[www.calaverasgov.us](http://www.calaverasgov.us)

**Colusa County**

(530) 458-0500 or (877) 458-0501  
[www.countyofcolusa.org/elections](http://www.countyofcolusa.org/elections)

**Contra Costa County**

(925) 335-7800  
[www.contracostacore.us](http://www.contracostacore.us)

**Del Norte County**

(707) 464-7216  
[www.co.del-norte.ca.us](http://www.co.del-norte.ca.us)

**El Dorado County**

(530) 621-7480 or (800) 730-4322  
[www.edcgov.us/Elections](http://www.edcgov.us/Elections)

**Fresno County**

(559) 600-8683  
[www.fresnovote.com](http://www.fresnovote.com)

**Glenn County**

(530) 934-6414  
[www.countyofglenn.net/dept/elections/welcome](http://www.countyofglenn.net/dept/elections/welcome)

**Humboldt County**

(707) 445-7481  
[www.humboldtgov.org/890/Elections-Voter-Registration](http://www.humboldtgov.org/890/Elections-Voter-Registration)

**Imperial County**

(442) 265-1074  
[www.co.imperial.ca.us/regvoters](http://www.co.imperial.ca.us/regvoters)

**Inyo County**

(760) 878-0224  
[elections.inyocounty.us](http://elections.inyocounty.us)

**Kern County**

(661) 868-3590  
[www.kernvote.com](http://www.kernvote.com)

**Kings County**

(559) 852-4401  
[www.countyofkings.com](http://www.countyofkings.com)

**Lake County**

(707) 263-2372  
[www.lakecountyca.gov/Government/Directory/ROV.htm](http://www.lakecountyca.gov/Government/Directory/ROV.htm)

**Lassen County**

(530) 251-8217  
<http://www.lassencounty.org/dept/county-clerk-recorder/elections>

**Los Angeles County**

(800) 815-2666  
[www.lavote.net](http://www.lavote.net)

**Madera County**

(559) 675-7720 or (800) 435-0509  
[www.votemadera.com](http://www.votemadera.com)

**Marin County**

(415) 473-6456  
[marinvotes.org](http://marinvotes.org)

**Mariposa County**

(209) 966-2007  
[www.mariposacounty.org/87/Elections](http://www.mariposacounty.org/87/Elections)

**Mendocino County**

(707) 234-6819  
[www.mendocinocounty.org/government/assessor-county-clerk-recorder-elections/elections](http://www.mendocinocounty.org/government/assessor-county-clerk-recorder-elections/elections)

**Merced County**

(209) 385-7541 or (800) 561-0619  
[www.mercedelections.org](http://www.mercedelections.org)

**Modoc County**

(530) 233-6205  
[www.co.modoc.ca.us/departments/elections](http://www.co.modoc.ca.us/departments/elections)

**Mono County**

(760) 932-5537 or (760) 932-5530  
[monocounty.ca.gov/elections](http://monocounty.ca.gov/elections)

**Monterey County**

(831) 796-1499 or (866) 887-9274  
[www.montereycountyelections.us](http://www.montereycountyelections.us)

**Napa County**

(707) 253-4321  
[www.countyofnapa.org](http://www.countyofnapa.org)

**Nevada County**

(530) 265-1298  
<http://www.mynevadacounty.com/1847/Elections-Voting>

**Orange County**

(714) 567-7600  
[www.ocvote.com](http://www.ocvote.com)

**Placer County**

(530) 886-5650  
[www.placerelections.com](http://www.placerelections.com)

**Plumas County**

(530) 283-6256 or (844) 676-VOTE  
<https://www.plumascounty.us/142/Elections-Division-Home>

**Riverside County**

(951) 486-7200  
[www.voteinfo.net](http://www.voteinfo.net)

**Sacramento County**

(916) 875-6451  
[www.elections.saccounty.net](http://www.elections.saccounty.net)

**San Benito County**

(831) 636-4016  
[sbcvote.us](http://sbcvote.us)

**San Bernardino County**

(909) 387-8300  
[www.sbcountyelections.com](http://www.sbcountyelections.com)

**San Diego County**

(858) 565-5800 or (800) 696-0136  
[www.sdvote.com](http://www.sdvote.com)

**San Francisco County**

(415) 554-4375  
[sfelections.org](http://sfelections.org)

**San Joaquin County**

(209) 468-2890 or (209) 468-2885  
[www.sjcrov.org](http://www.sjcrov.org)

**San Luis Obispo County**

(805) 781-5228 or (805) 781-5080  
[www.slovote.com](http://www.slovote.com)

**San Mateo County**

(650) 312-5222  
[www.smcacre.org](http://www.smcacre.org)

**Santa Barbara County**

(805) 568-2200  
[www.sbcvote.com](http://www.sbcvote.com)

**Santa Clara County**

(408) 299-8683 or (866) 430-8683  
[www.sccvote.org](http://www.sccvote.org)

**Santa Cruz County**

(831) 454-2060  
[www.votescount.com](http://www.votescount.com)

**Shasta County**

(530) 225-5730 or (888) 560-8683  
[www.elections.co.shasta.ca.us](http://www.elections.co.shasta.ca.us)

**Sierra County**

(530) 289-3295  
<http://www.sierracounty.ca.gov/214/Elections>

**Siskiyou County**

(530) 842-8084 or (888) 854-2000 ext. 8084  
[www.sisqvotes.org](http://www.sisqvotes.org)

**Solano County**

(707) 784-6675  
[www.solanocounty.com/elections](http://www.solanocounty.com/elections)

**Sonoma County**

(707) 565-6800  
[vote.sonoma-county.org](http://vote.sonoma-county.org)

**Stanislaus County**

(209) 525-5200  
<http://www.stanvote.com>

**Sutter County**

(530) 822-7122  
[www.suttercounty.org/elections](http://www.suttercounty.org/elections)

**Tehama County**

(530) 527-8190  
<http://www.co.tehama.ca.us/gov-departments/elections>

**Trinity County**

(530) 623-1220  
<https://www.trinitycounty.org/Elections>

**Tulare County**

(559) 624-7300  
<http://www.tularecoelections.org/elections>

**Tuolumne County**

(209) 533-5570  
[www.co.tuolumne.ca.us/elections](http://www.co.tuolumne.ca.us/elections)

**Ventura County**

(805) 654-2664  
<https://recorder.countyofventura.org/elections>

**Yolo County**

(530) 666-8133  
[yoloelections.org](http://yoloelections.org)

**Yuba County**

(530) 749-7855  
[www.yubaelections.org](http://www.yubaelections.org)

# 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 5, 2020

Counties will begin mailing vote-by-mail ballots.

#### October 19, 2020

Last day to register to vote. You can “conditionally” register and vote at your county elections office or voting location after the 15-day voter registration deadline.

### 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 3, 2020 Election Day!



California Secretary of State  
Elections Division  
1500 11th Street  
Sacramento, CA 95814

NONPROFIT  
U.S. POSTAGE  
PAID  
CALIFORNIA  
SECRETARY  
OF STATE



 **VOTE SAFE**  
CALIFORNIA

All California voters will receive a vote-by-mail ballot for the November 3, 2020, election. Learn more inside.  
**English: (800) 345-VOTE (8683) TTY/TDD: (800) 833-8683**

អ្នកបោះឆ្នោតទាំងអស់ក្នុងរដ្ឋ California នឹងទទួលបាន សន្លឹកឆ្នោតបោះតាមសំបុត្រសម្រាប់ការបោះឆ្នោតនៅថ្ងៃទី ៣ ខែវិច្ឆិកា ឆ្នាំ 2020 ។ សម្រាប់សំណួរ ឬជំនួយអ្នកបោះឆ្នោត សូមហៅមកលេខខាងក្រោម ។  
**ខ្មែរ/Khmer: (888) 345-4917**

Todos los votantes de California recibirán una boleta electoral de voto por correo para la elección del 3 de noviembre de 2020. Para preguntas o asistencia al votante, llame al número a continuación.  
**Español/Spanish: (800) 232-VOTA (8682)**

모든 캘리포니아 유권자는 2020년 11월 3일 선거를 위한 우편 투표지 받게 됩니다. 문의 사항 또는 유권자 지원을 원하시면, 아 래 전화번호로 연락해 주십시오.  
**한국어/Korean: (866) 575-1558**

所有加州選民將收到用於 2020 年 11 月 3 日選舉的郵寄投票選票。如有疑問或需要提供選民協助，請致電下列號碼。  
**中文/Chinese: (800) 339-2857**

Tatanggap ang lahat ng botante ng California ng balota para sa pagboto sa pamamagitan ng koreo para sa halalan sa Nobyembre 3, 2020. Para sa mga katanungan o tulong sa botante, mangyaring tawagan ang numero sa ibaba.  
**Tagalog: (800) 339-2957**

कैलिफोर्निया के सभी मतदाताओं को 3 नवंबर, 2020 के चुनाव के लिए 'डाक-द्वारा-मतदान करें' मतपत्र प्राप्त होगा। प्रश्नों या मतदाता सहायता के लिए, कृपया नीचे दिए गए नंबर पर कॉल करें।  
**हिन्दी/Hindi: (888) 345-2692**

ผออกเสียงลงคะแนนในรัฐแคลิฟอร์เนียทุกคนจะ ได้รับบัตรเลือกตั้งประเภทลงคะแนนเสียงผ่านทาง ไปรษณีย์สำหรับการเลือกตั้งที่จะจัดขึ้นในวันที่ 3 พฤศจิกายน 2020 หากมีข้อสงสัยหรือต้องการความช่วยเหลือ โปรดโทรติดต่อหมายเลขด้านล่าง  
**ภาษาไทย/Thai: (855) 345-3933**

すべてのカリフォルニア州有権者には2020年11月3日選挙の郵便投票用紙が送られます。お問い合わせまたは有権者の支援に関しては、以下の番号までお電話ください。  
**日本語/Japanese: (800) 339-2865**

Tất cả các cử tri California đều sẽ nhận được lá phiếu bầu bằng thư cho kỳ bầu cử vào ngày 3 tháng Mười Một, 2020. Nếu có thắc mắc hoặc cần giúp về bầu cử, xin gọi số điện thoại dưới đây.  
**Việt ngữ/Vietnamese: (800) 339-8163**