

California Association of Health Underwriters

November 8, 2016 Ballot Proposition Information

With a 212 page voter guide on the upcoming election, the California Association of Health Underwriters compiled information from different sources for members to use to understand the basics of the 17 ballot initiatives to be decided by voters. The only ballot initiative that CAHU is officially supporting is Prop 52 on Hospital Fees.

Proposition 51. School Construction: \$9 Billion Bond Act

What would it do?

Prop. 51 authorizes \$9 billion in bonds to build new schools and modernize existing ones. Most of the money would be for K-12 schools, with about \$2 billion for community colleges.

What would it cost?

Borrowing the \$9 billion would cost the state an extra \$8.6 billion in interest. The state would likely pay off the debt over 35 years, at a cost of about \$500 million a year.

What supporters say:

California's aging campuses need safety repairs and tech upgrades, while growing neighborhoods want to build new schools. The bonds will provide students a better learning environment, without directly raising taxes.

What opponents say:

Prop. 51 benefits suburban home builders without doing much to help schools in low-income communities. Bonds are expensive—costing almost as much in interest as the amount borrowed—and put the state further in debt.

Proposition 52. Hospital Fees: Revision

What would it do?

Prop. 52 would extend the current fees hospitals pay to receive more matching Medicaid funds from the federal government. It would also make it harder for the state Legislature to divert the fees to other state programs.

What would it cost the government?

The measure's fiscal impact is unclear because we don't know if the Legislature would have extended the existing hospital fee if Prop. 52 were not on the ballot. If lawmakers had declined to extend the fee, Prop. 52 would have saved the state roughly \$1 billion and increased funding for public hospitals in the low hundreds of millions of dollars annually.

What supporters say:

It will help ensure California hospitals can continue to recover some of the money they spend to provide services to low-income patients, providing a stable revenue stream and drawing an estimated \$3 billion in federal matching funds. **Note: The California Association of Health Underwriters officially supports Prop. 52**

What opponents say:

It will divert millions of dollars away from patients and into a health-care bureaucracy with no oversight, no accountability and no guarantee it is spent on health care.

Proposition 53: Voter Approval: Revenue Bonds

What would it do?

Proposition 53 would require voter approval before any revenue bond over \$2 billion can be issued by the state for state-managed projects.

What would it cost the government?

Analysts couldn't determine the fiscal impact of this measure because it depends on how voters and governments respond. It could have no impact if voters approve bonds and a project proceeds as planned. It could save money if voters reject bonds and the government instead uses existing infrastructure or a less expensive financing mechanism. It could cost money if the government plans several smaller projects to avoid the \$2 billion threshold or finances the large project with higher-interest loans.

What supporters say:

It would give voters a say in major infrastructure projects and could limit growth of the state's debt load. Government debt will burden future generations, who could see reduced services or increased taxes to pay it off.

What opponents say:

It could delay or block more public works projects than anticipated, like water storage or bridge repairs. By requiring a statewide vote, it could allow voters in faraway regions to shoot down a project supported by those in the community. The type of bonds at issue in this measure—revenue bonds—are paid back by users of the project that's built, not by taxpayers at large.

Proposition 54: Stop Last Minute Lawmaking

What would it do?

Prop. 54 tries to put a stop to last-minute law-making by requiring the Legislature to publish a bill in print and online for at least 72 hours prior to a vote on the bill. (The measure makes exceptions in cases of public emergency.) It also would require the Legislature to video record all its public sessions and make video archives available online.

What would it cost the government?

Roughly \$1 million to \$2 million initially for equipment, plus about \$1 million annually for making the videos and storing them online.

What supporters say:

It would make government more transparent by giving the public time to review bills before they become laws.

What opponents say:

Advance notice could cause delicate political deals to unravel by giving interest groups ample time to lobby legislators before they vote.

Proposition 55: New Tax on High Wage Earners

What would it do?

Prop. 55 would extend the 2012 voter-approved tax increase on high-income earners for 12 more years, to 2030. The tax applies to earnings over \$250,000 a year for individuals, or over \$500,000 for couples. Most of the revenue would continue to go to K-12 education, with the remaining set aside for community colleges and low-income health care programs.

What would it cost state government?

Nothing; Prop. 55 would reap billions for the state. The state could see increased revenues ranging from \$4 billion to \$9 billion a year from 2019 through 2030, depending on the economy and the stock market.

What supporters say:

Prop. 55 maintains taxes on the wealthiest of Californians, and would prevent billions of dollars of cuts to public education needed to hire teachers and reduce class sizes. Funding for community colleges would make more classes available and keep tuition rates stable while low-income children would see improved access to health care.

What opponents say:

This measure is a broken promise to taxpayers who voted in 2012 for a temporary tax. Extending the tax by another 12 years is a power grab by labor unions that will send the state's economy into a tailspin, forcing more businesses and jobs to leave California.

Proposition 56: New Tobacco Tax

What would it do?

Prop. 56 would add a \$2 tax to cigarettes, electronic cigarettes containing nicotine, and other tobacco products to primarily increase funding for existing health care programs.

What would it cost the government?

Nothing; this measure would add revenue to the state budget. It would provide an estimated \$1 billion to \$1.4 billion in 2017-18, with potentially lower revenues in future years.

What supporters say:

Prop. 56 is a user fee paid only by smokers to help pay for healthcare, cancer treatment, smoking prevention, and research to cure cancer and tobacco-related diseases. Taxing tobacco saves lives with a proven reduction in youth smoking. California's current tax on cigarettes—87 cents per pack—is low compared to most states.

What opponents say:

This measure is a tax grab by insurance companies, labor unions and hospitals, with just a fraction of the money set aside for smoking prevention. More pressing problems like the drought, education, road repairs and violent crime should benefit from any tax increases.

Proposition 57: Criminal Sentencing**What would it do?**

Prop. 57 would increase the number of nonviolent inmates eligible for parole consideration and enable inmates to earn credits for good behavior. It also lets judges decide whether to try a juvenile as an adult, likely resulting in fewer young offenders being placed in the adult system.

What would it cost the government?

Reductions in prison population would lead to a savings for state government likely in the tens of millions of dollars each year, according to the state legislative analyst. Meanwhile, counties might incur a cost of a few million dollars a year.

What supporters say:

Prop. 57 is a long-term solution that stops wasting costly prison space on non-violent offenders who can be rehabilitated, while keeping dangerous criminals behind bars. It gives judges—instead of prosecutors—the power to decide whether a minor should be tried as an adult, which will improve juvenile justice by reducing racial bias and the number of minors sent through adult courts.

What opponents say:

Prop. 57 is a deceptive measure that could endanger public safety with the early release of inmates convicted of violent crimes such as rape and assault with a deadly weapon. Though the initiative says it only applies to “nonviolent” offenders, the term is broadly defined under California law and applies to certain rapes and assaults.

Proposition 58: Bilingual Education**What would it do?**

Prop. 58 would remove restrictions voters put in place in 1998 with Prop. 227. It would allow public schools to decide how to teach English learners – choosing among English-only, bilingual, or other types of programs. It would also open the door for native English speakers to learn a second language.

What would it cost the government?

The state legislative analyst found no notable fiscal effect on school districts or state government.

What supporters say:

Prop. 58 removes decades-old barriers to student learning and allows educators to use a variety of teaching methods to help the approximately one-fifth of California students who are not native English speakers. Schools also could more easily provide programs for native English speakers in a second language, readying them for the global economy.

What opponents say:

The current system is working, with more California Latinos gaining admission to college and universities. Prop. 58 will force children back into Spanish-only instruction, which will hinder their ability to quickly learn English and prosper as adults.

Proposition 59: Campaign Finance

What would it do?

Not much, in the short term at least. Prop. 59 is an advisory measure—it's an opportunity for Californians to give their opinion but it doesn't directly change any laws. The measure asks if voters want California's elected officials to take steps to amend the U.S. Constitution to overturn Citizens United. Amending the Constitution is a lengthy process that generally requires, among other things, support from at least 38 states nationwide.

What would it cost state government?

Nothing.

What supporters say:

As one piece of a passionate nationwide movement, this measure takes a step toward undercutting big-money politics. Similar measures have already passed in Montana and Colorado, and voters in the state of Washington face one in November. Even if these non-binding measures don't lead to a Constitutional amendment, approval of Prop. 59 could influence Supreme Court justices in the future if they reconsidered Citizens United.

What opponents say:

The measure doesn't actually do anything but clog the ballot and potentially confuse voters. Citizens United isn't the only ruling that governs campaign finance issues—and overturning it would still allow a lot of money to gush through the political system, including campaign spending by wealthy individuals, and corporate and union donations directly to politicians.

Proposition 60: Condom in Films

What would it do?

Prop. 60 would require porn actors to use condoms when filming intercourse. It would create a system for people to make complaints and file lawsuits if they see a sex scene that does not

include a condom. It would require that adult film producers pay for performers' vaccinations, testing and medical exams related to sexual health.

What would it cost state government?

Additional regulations on adult film production would cost more than \$1 million annually. In addition, state and local tax revenue would probably drop by several million dollars a year if productions move out of state or go underground to evade the condom mandate.

What supporters say:

State law already requires adult performers to use condoms on the job, but they are exposed to disease because the provision is rarely enforced. Prop. 60 strengthens existing law by adding new enforcement mechanisms that protect workers in the porn industry.

What opponents say:

Viewers don't want to watch sex involving condoms, so porn producers will leave California or go underground if this measure passes. The state's adult film industry already minimizes disease transmission by frequently testing performers. This measure would lead to new lawsuits.

Proposition 61: Prescription Drugs

What would it do?

Prop. 61 would cap the amount the state pays for prescription drugs—generally prohibiting the state from paying any more for drugs than the lowest price paid by the U.S. Department of Veterans Affairs, which pays the lowest prices in the nation.

What would it cost?

Prop. 61 could save the state some money, but it's hard to say for certain. If drug makers responded to the measure by raising prices for the Department of Veterans Affairs, that would negate any potential savings to the state. Because the drug market reaction is unpredictable, the state's legislative analysts concluded that the fiscal impact is unknown.

What supporters say:

Prop. 61 will rein in soaring drug prices and fights back against pharmaceutical companies that reap profit from people's illnesses.

What opponents say:

It would limit prices only for people in certain government health plans, but could make medication more expensive for others—especially veterans—if drug companies hike prices to make up the difference.

Proposition 62 and Proposition 66: Death Penalty

What would they do?

The dueling campaigns of Propositions 62 and 66 seek to address California's broken death penalty system—but in two very different ways. Prop. 62 would abolish the death penalty, and all current death row inmates would be resentenced to life in prison without parole. Prop. 66 attempts to reform capital punishment by shortening the time of legal challenges. It would also allow the state to house condemned men outside San Quentin, currently the only prison that has a death row for men.

What would they cost the government?

Prop. 62 would save the state and counties around \$150 million a year, with fewer costs related to prisons, murder trials and legal challenges to death sentences, according to the state legislative analyst. Under Prop. 66, the cost to state courts for processing legal challenges to death sentences is unknown. The measure could save tens of millions a year in prison costs.

What death penalty opponents say:

(yes on Prop. 62 and no on Prop. 66)

Prop. 62 ensures convicted murderers serve a strict life sentence and abolishes a failed and biased death penalty system that has cost the state \$5 billion to date. It ensures not a single innocent person would be wrongfully executed.

Prop. 66 will cost taxpayers millions of dollars, add layers of government bureaucracy that will lead to more delay, and increase the risk that California executes an innocent person.

What death penalty supporters say:

(no on Prop. 62 and yes on Prop. 66)

Abolishing the death penalty under Prop. 62 would allow the most brutal murderers to stay alive on the taxpayer dime. Prop. 62 jeopardizes public safety, denies justice and closure to victims' families, and rewards the most horrible killers.

Prop. 66 fixes California's flawed death penalty system and ensures due process protections for those sentenced to death. It promotes justice for murder victims and their families.

Proposition 63: Gun Control

What would it do?

The two parts of Prop. 63 that are similar to newly-approved state laws are provisions that would require criminal background checks for people purchasing ammunition and prohibit possession of large-capacity magazines (those that hold more than 10 bullets).

Other pieces of Prop. 63 would make new requirements for reporting lost or stolen firearms and ammunition to authorities; prohibit people from possessing firearms if they're convicted of stealing a firearm; establish new ways for authorities to remove guns from people who are prohibited from owning them; change theft of a gun worth \$950 or less from a misdemeanor to a felony; strengthen the national criminal background check system by requiring the state to share information about people who are prohibited from owning firearms.

What would it cost the government?

Tens of millions of dollars a year related to new processes for removing firearms from people who are not allowed to own them because they've been convicted of a crime. Millions of

dollars annually to regulate ammunition sales and jail those facing stiffer penalties for certain gun crimes.

What supporters say:

Something must be done about gun violence, which injures or kills more than 300 Americans each day. Even in California's Democratic-controlled statehouse, the gun lobby has successfully blocked efforts to pass some policies aimed at keeping guns and ammunition out of the wrong hands. This initiative takes those questions directly to voters.

What opponents say:

Criminals, by definition, don't obey the law, so putting more restrictions on guns and ammunition won't stop them—it will just burden law-abiding gun owners. This measure is a way for Lt Gov. Gavin Newsom to boost his image before running for governor in two years.

Proposition 64: Marijuana Legalization

What would it do?

Prop. 64 would allow people 21 and older to grow up to six pot plants at home, possess up to an ounce of marijuana and use it for recreational purposes. It would allow the state, as well as cities and counties, to regulate and tax the growing and sale of non-medical marijuana.

What would it cost the government?

It all depends on how state and local governments choose to regulate and tax marijuana, whether the federal government enforces federal marijuana laws, and the price and use of marijuana. The state's legislative analyst concluded that taxes generated could eventually reach more than \$1 billion a year. Local and state governments also could save tens of millions of dollars a year in jail costs because marijuana use would no longer be a state crime.

What supporters say:

It would bring the state's booming and unregulated recreational marijuana market under the rule of law, protecting consumers and the environment. It is a recognition that decades of prohibition and aggressive enforcement of criminal laws hasn't worked.

What opponents say:

Marijuana remains illegal under federal law. Prop. 64 would lead to an increase in marijuana smoking, causing more cases of cancer, heart attacks, strokes and other health issues. Children will be exposed to marijuana advertising and the roads will be less safe.

Propositions 65 and Proposition 67: Plastic Bags

Proposition 67 and Proposition 65: Plastic Bags

What would they do?

Prop. 67 supports the 2014 ban signed into law by Gov. Jerry Brown, and authorizes retailers to charge shoppers 10 cents for other carryout bags—a fee the stores get to keep.

Prop. 65 would redirect the bag fee money to an environmental fund administered by the state Wildlife Conservation Board. If both measures pass, Prop. 65 would only be enacted if it receives more votes than Prop. 67. If voters reject Prop. 67, then Prop 65 does not apply.

What would they cost the government?

A plastic bag ban wouldn't mean much financially for state and local governments, the state legislative analyst found. If Prop. 65 passes, tens of millions of dollars a year could flow into environmental programs.

What the plastic industry says

(no on Prop. 67 and yes on Prop. 65):

Prop. 67 unfairly targets plastic, an inexpensive, versatile material that is convenient for shoppers. Banning plastic bags will do little to help the environment.

Prop. 65 puts money from shopping bag fees into projects that benefit the environment rather than corporate grocery chain profits.

What grocers and environmental groups say

(yes on Prop. 67 and no on Prop. 65):

Prop. 67 upholds the Legislature's decision to create one statewide policy on plastic bags, which were banned because they threaten marine wildlife, pollute oceans, litter streets and damage recycling equipment.

Prop. 65 was put on the ballot by the plastic industry to confuse voters and penalize grocery stores for supporting the bag ban.

The source of information comes from the CALMatters website regarding ballot propositions on the upcoming November 8, 2016 ballot. CALmatters is a nonpartisan, nonprofit journalism venture committed to explaining how California's state Capitol works and why it matters. CALMatters website: <https://calmatters.org/proposition/>

To read each ballot initiative and the official voter summary from the California Secretary of State's website either click on the links below or go to <http://voterguide.sos.ca.gov/en/propositions/>

Propositions

- [51 School Bonds. Funding for K-12 School and Community College Facilities. Initiative Statute.](#)
- [52 Medi-Cal Hospital Fee Program. Initiative Constitutional Amendment and Statute.](#)
- [53 Revenue Bonds. Statewide Voter Approval. Initiative Constitutional Amendment.](#)
- [54 Legislature. Legislation and Proceedings. Initiative Constitutional Amendment and Statute.](#)

- 55 Tax Extension to Fund Education and Healthcare. Initiative Constitutional Amendment.
- 56 Cigarette Tax to Fund Healthcare, Tobacco Use Prevention, Research, and Law Enforcement. Initiative Constitutional Amendment and Statute.
- 57 Criminal Sentences. Parole. Juvenile Criminal Proceedings and Sentencing. Initiative Constitutional Amendment and Statute.
- 58 English Proficiency. Multilingual Education. Initiative Statute.
- 59 Corporations. Political Spending. Federal Constitutional Protections. Legislative Advisory Question.
- 60 Adult Films. Condoms. Health Requirements. Initiative Statute.
- 61 State Prescription Drug Purchases. Pricing Standards. Initiative Statute.
- 62 Death Penalty. Initiative Statute.
- 63 Firearms. Ammunition Sales. Initiative Statute.
- 64 Marijuana Legalization. Initiative Statute.
- 65 Carry-Out Bags. Charges. Initiative Statute.
- 66 Death Penalty. Procedures. Initiative Statute.
- 67 Ban on Single-Use Plastic Bags. Referendum.