

UNIVERSITY OF THE
PACIFIC

McGeorge
School of Law

CALIFORNIA INITIATIVE REVIEW

Initiatives at a Glance

2024 EDITION



INTRODUCTION

The California Initiative Review (CIR) and the Initiatives at a Glance are publications of objective and independent analyses of California statewide ballot initiatives. This year the CIR also includes reports on a few of the initiatives that qualified but were removed from the ballot and one local measure that qualified and was removed. Those additional reports are not part of the Initiatives at a Glance.

The CIR and Initiatives at a Glance are produced by the McGeorge Capital Center for Law and Policy and are prepared before every statewide election. Each CIR covers all measures appearing on the statewide ballot. The most current issue and past issues of the CIR and the Initiatives at a Glance are housed online on the McGeorge website, <https://law.pacific.edu/law/publications/california-initiative-review>. For the November 5, 2024, election, we anticipate that the full reports will be available on October 22, 2024.

The CIR and the Initiatives at a Glance are written by law students enrolled in the California Initiative Seminar course at University of the Pacific, McGeorge School of Law. Editing of each analysis is performed by student editors under my supervision.

The student authors, editors, and I are grateful to the Capital Center for sponsoring the publication of the CIR, the Initiatives at a Glance, and the California Initiative Forum. We hope that the information contained in the analyses online, and these short synopses, will be helpful to you as you prepare to vote on the initiatives presented to the electorate this November.

Thank you for participating in our democratic process,



Mary-Beth Moylan
Associate Professor of Law
McGeorge School of Law

PROPOSITION 2: PUBLIC EDUCATION FACILITIES BOND

Current Law

- California currently does not have a permanent source for funding public school facility repairs. Most funding comes from the state budget or from bonds.
- Proposition 2 passed in 2014, which created a State reserve account for public schools and community colleges.
- Proposition 51 passed in 2016. It authorized \$9 billion in general obligation bonds to fund construction and improvement of K–12 and community college facilities.

Proposed Law

- Proposition 2 would authorize \$10 billion in state general obligation bonds for repair, upgrade, and construction of facilities at K–12 public schools (including charter schools) and community colleges.
- The average repayment cost would be \$500 million annually for 35 years.
- If approved, \$8.5 billion would be allocated to K–12 public schools, and \$1.5 billion would be reserved for California community colleges.
- The renovation funding is subject to additional earmarks, such as reducing lead levels in public school sites, creating a classroom for transitional kindergarten, and building or expanding gymnasiums, multipurpose rooms, libraries, or school kitchens.

Policy Considerations

YES on Proposition 2	NO on Proposition 2
<ul style="list-style-type: none">● Roughly 38% of students attend schools that do not meet the minimum health and safety requirements.● Proposition 2 will help retain and attract quality teachers.● The initiative requires that funding only go to projects approved by local school and community college districts with local community input.● The bond could help fund learning technology, labs, and vocational classrooms, which will help students enter the workforce.	<ul style="list-style-type: none">● Local property taxes may increase because the local match requirement may cause districts to issue new local school bonds.● Future generations should not be stuck with debt that current voters take on.● The effects of the local match requirements remain unclear, particularly on lower-income and rural districts.● There has been a declining number of students enrolled in schools and community colleges.

PROPOSITION 3: CONSTITUTIONAL RIGHT TO MARRIAGE

Current Law

- Federal law holds that state laws barring same-sex marriages and state laws barring interracial marriages are unconstitutional.
- The California Constitution provides that only a marriage between a man and a woman is valid or recognized in California, and federal law permanently enjoins the state from enforcing this constitutional provision.
- The Respect for Marriage Act, signed in 2022, (1) replaced federal provisions defining marriage as between a man and a woman and (2) prohibits states from denying any out-of-state marriages on the basis of sex, race, ethnicity, or national origin.

Proposed Law

- Proposition 3 (formerly ACA 5) was drafted in response to the U.S. Supreme Court’s decision in *Dobbs v. Jackson Women’s Health Organization*, in which a concurring opinion alluded to potential impacts of the decision for marriage.
- Proposition 3 would amend the California Constitution by repealing inoperable language that was added by Proposition 8 (2008) and adding Section 7.5 to Article 1 providing that the right to marry is a fundamental right.
- The fundamental right to marry under the California Constitution would be specifically connected to California liberty, privacy, and due process rights.
- If adopted, there would be no change to who is allowed to marry in California.

Policy Considerations

YES on Proposition 3	NO on Proposition 3
<ul style="list-style-type: none">● Updates California Constitution to reflect current laws.● Protects freedom to marry regardless of gender, sexual orientation, race, or ethnicity.● Further insulates married couples in California from potential change in federal marriage protections.	<ul style="list-style-type: none">● Unnecessarily changes California Constitution’s currently unenforceable definition of marriage.● Provides overly broad protections for marriage as a fundamental right.

PROPOSITION 4: THE SAFE DRINKING WATER, WILDFIRE PREVENTION, DROUGHT PREPAREDNESS, AND CLEAN AIR BOND ACT OF 2024

Current Law

- California has undertaken a variety of efforts, including the creation of comprehensive climate adaptation strategies. The 2021 Climate Adaptation Strategy identified six key priorities, including protecting vulnerable communities and advancing nature-based climate solutions.
- California has conducted four comprehensive climate change assessments.

Proposed Law

- Proposition 4 would allow California to sell \$10 billion in bonds to allocate funds to climate-related issues.
- The money would go to the following categories: drought, flood, and water supply; forest health and wildfire prevention; sea-level rise and coastal areas; land conservation and habitat restoration; energy infrastructure; parks; extreme heat; and farms and agriculture.
- The Proposition would require 40% of the money be used for activities that directly benefit low-income communities or those that are more vulnerable to the impacts of climate change.
- With added interest, it would take an estimated \$400 million annually for 40 years to pay off. This money would come directly from taxpayer dollars.

Policy Considerations

YES on Proposition 4	NO on Proposition 4
<ul style="list-style-type: none">• Programs and activities around climate issues would be funded to create a proactive, rather than reactive, approach.• This would allow consistent funding and save on future costs, such as in disaster relief and reduced costs to local governments.• Proposition 4 is necessary to address the climate crisis and protect California.• Issues such as clean water access and wildfires need to be addressed immediately.	<ul style="list-style-type: none">• Proposition 4 is not the financially smart decision for California, given the states' current deficit.• The funding should be from the State's General Fund, not bonds that taxpayers must pay back.• The projects in Proposition 4 are unproven and merely pet projects.• This is a quick-fix attempt to an issue that needs long-term change.• The Proposition is too complex and involves too many issues.

PROPOSITION 5: ALLOWS LOCAL BONDS FOR AFFORDABLE HOUSING AND PUBLIC INFRASTRUCTURE WITH 55% VOTER APPROVAL

Current Law

- Since 1879, the California Constitution has provided that local governments cannot incur additional debt or liability from general obligation bonds “without the assent of two-thirds of voters” of the local electorate.”
- In 2000, California voters enacted Proposition 39 (2000), which amended the state constitution to allow local bonds to repair, construct or replace school facilities if approved by 55% of the local vote, instead of the two-thirds vote requirement.
- In 1978, California voters approved Proposition 13 (1978), which rolled back most local real property assessments to 1975 market value levels, limited the property tax rate to 1 percent, and limited future property tax increases.

Proposed Law

- Proposition 5 is an amendment to the California Constitution that was introduced by the Legislature as Assembly Constitutional Amendments 1 and 10 (ACA 1 and 10).
- If passed, the measure would amend the California Constitution to allow local bonds for affordable housing for low- and middle-income Californians, or for public infrastructure including roads, water, and fire protection to be approved by 55% of the local electorate, rather than the current two-thirds (66.7%) approval requirement.
- The measure would also allow local governments to assess property taxes above the current 1% cap to repay affordable housing and infrastructure bonds if approved by 55% of voters instead of the current two-thirds approval requirement.
- Approved bonds would need to include specific accountability measures, including a citizens oversight committee and annual independent financial and performance audits.
- If passed, the 55% vote threshold for bonds covered by this measure would apply to any local bond measures on the November 5, 2024 ballot.

Policy Considerations

YES on Proposition 5	NO on Proposition 5
<ul style="list-style-type: none">● Provides local governments the tools to address immediate housing and infrastructure priorities.● Empowers local governments to address priorities without having to wait for state or federal funding.● Protects local tax dollars by implementing strict accountability requirements.	<ul style="list-style-type: none">● Makes it easier for cities, counties and special districts to increase property taxes, which will lead to higher prices for consumers.● More bonds will saddle taxpayers with billions in new taxes and debt.● “Affordable housing” and “public infrastructure” are broadly defined, covering almost anything.

PROPOSITION 6: ELIMINATES CONSTITUTIONAL PROVISION ALLOWING INVOLUNTARY SERVITUDE FOR INCARCERATED PERSONS.

Current Law

- California’s Constitution has an exception in its prohibition against involuntary servitude for those duly convicted of a crime. Thus, allowing unpaid forced prison labor.
- There is no restriction on the Department of Correction’s ability to discipline incarcerated persons who refuse a work assignment.

Proposed Law

- Proposition 6 started as Assembly Amendment Bill 8 where it passed the chamber by a unanimous 68-0 vote and the state Senate by a 33-3 vote.
- Was drafted as a response to the United States Constitution’s 13th Amendment which carves out an exception for those convicted of a crime in its abolition of slavery and involuntary servitude.
- Would Amend Article 1 Section 6 of the California Constitution to remove the above exception allowing for unpaid forced prison labor and simply prohibit slavery and involuntary servitude without exception.
- Would prohibit the Department of Corrections from disciplining incarcerated persons who refuse work assignments but would continue to allow incentives like good time credit to be offered to people who choose to work while incarcerated.

Policy Considerations

YES on Proposition 6	NO on Proposition 6
<ul style="list-style-type: none">● Slavery and Involuntary Servitude are wrong in all forms and the California Constitution should ban it in all forms.● Rehabilitation is more likely achieved through voluntary work.● The right to choose to work, where to work, and what work you do is among the most basic and fundamental of rights and should be protected no matter your incarcerated status.● There will be no economic harm to the state as a result of this measure.	<ul style="list-style-type: none">● Passage could lead to a push to pay incarcerated persons the state minimum wage and allow unionization.● Elimination of non-voluntary prison work might lead to a rise in prices for goods produced by prison labor.● Worry this would lead to the abolishment of prison labor all together.

PROPOSITION 32: RAISES THE STATEWIDE MINIMUM WAGE

California Law

- Although the federal minimum wage is regulated under the Fair Labor Standards Act (FLSA), California sets its own minimum wage standards.
- The State Legislature has made efforts to increase the statewide minimum wage, and legislators have passed laws to increase the wages in specific industries, such as healthcare and the fast-food industry.
- The statewide minimum wage is currently at \$16.50
- On or before August 1st of each year, the Director of Finance is tasked with adjusting the minimum wage based on inflation, with the result rounded to the nearest ten cents.
- Many local governments have passed ordinances within their cities to set the minimum wage at a higher rate than required by the state.

Proposed Law

- If enacted, this initiative would amend and add sections to the California Labor Code.
- Employers with 26 or more employees would be required to provide a minimum wage of \$18 per hour beginning January 1, 2025.
- Employers with 25 or fewer employees would be required to provide a minimum wage of \$17 per hour beginning January 1, 2025.
- On January 1, 2026, all employers would be required to provide the \$18 minimum wage regardless of the number of people they employ.
- Proposition 32 would pause inflation adjustments under current law to allow for the scheduled wage increases, with adjustments resuming January 1, 2027.

Policy Considerations

YES on Proposition 32	NO on Proposition 32
<ul style="list-style-type: none"> • Many Californians are struggling to make ends meet as the minimum wage has not kept pace with the cost of living and is worth less than it was 50 years ago. • The MIT Living Wage Calculator found that “...even in the cheapest California county (Modoc), a single adult with no children would need to make at least \$20.32 an hour to comfortably afford the basics.” • Local government and industry-based minimum wages higher than the new law would not be impacted. 	<ul style="list-style-type: none"> • Like the fast-food industry’s \$20 minimum wage, this measure would lead to higher costs, fewer jobs, and increased automation. • Proposition 32 will hurt state revenues and put even more pressure on California’s state budget. • Unexpected impacts on payroll and ‘exempt’ employee statuses as the annual salary to qualify for such status will rise from \$66,560 to \$74,880.

PROPOSITION 33: THE JUSTICE FOR RENTERS ACT

Current Law

- California law allows cities and counties to implement rent control subject to statewide restrictions and limitations.
- The Costa-Hawkins Rental Housing Act creates three main limitations on local rent control laws. (1) Rent control may not be applied to any single-family homes; (2) Rent control may never be applied to any newly built housing completed on or after Feb. 1, 1995; (3) Rent control laws may not mandate the amount of rent landlords may charge new renters when they first move into a unit.

Proposed Law

- Proposition 33 repeals the Costa-Hawkins Rental Housing Act.
- It adds a section to the California Civil Code which prohibits the state from limiting the right of any city, county, or city and county to maintain, enact or expand residential rent control.

Policy Considerations

YES on Proposition 33	NO on Proposition 33
<ul style="list-style-type: none">● There is a homelessness and housing affordability crisis in California.● The crisis is being fueled by excessive rent, often charged by predatory landlords.● Proposition 33 will rein in predatory landlords, especially corporate landlords like Blackstone Group and Equity Residential.● It will result in cities and counties passing much-needed expanded rent controls and thwart the massive profit intakes of billionaire corporate landlords.	<ul style="list-style-type: none">● Limiting rent will make it impossible for owners to keep up with the rising cost of inflation.● It may impact some existing renter protection laws and throw their viability into question.● It will disincentivize the construction of new housing units and drive down development.

PROPOSITION 34: RESTRICTING SPENDING OF PRESCRIPTION DRUG REVENUES BY CERTAIN HEALTH CARE PROVIDERS

Current Law

- The current Welfare and Institutions Code is silent on how prescription drug price manipulators spend their revenue.
- Prescription drug price manipulators have no threshold they must reach to keep their licenses for clinics, pharmacies, and health care services, as well as keeping their tax-exempt status in California.

Proposed Law

- Adds to the Welfare and Institutions Code thresholds for prescription drug price manipulators to reach to maintain their tax-exempt status and their licenses for clinics, pharmacies, and health care services.
- Proposition 34 aims to ensure that the benefits from the Medi-Cal Drug Prescription Program will be met by reducing predatory maneuvers by prescription drug price manipulators.
- Requires that prescription drug price manipulators spend 98% of the net revenue they earn in California on direct patient care.
- Requires that prescription drug price manipulators compile a detailed accounting of the revenue they earn in-state and out-of-state and send them to the State Attorney General and the heads of the other state agencies that oversee the differing licensing processes.

Policy Considerations

YES on Proposition 34	NO on Proposition 34
<ul style="list-style-type: none"> • Specific health care entities will have to pay 98% of their net revenue on direct patient care. • If they do not, they will not be able to hold licenses for clinics, pharmacies, health care services plans, and they can lose their tax-exempt status. • These penalties can last for a 10-year period. • Lobbying for rent control by the Aids Healthcare Foundation will be greatly diminished. 	<ul style="list-style-type: none"> • Specific health care entities will be free to spend their own net revenue as they see fit. • These health care entities will not be punished for their spending and will not lose their tax-exempt statuses and licenses. • Lobby for rent control by the Aids Healthcare Foundation will not be affected.

PROPOSITION 35: PROVIDE PERMANENT FUNDING FOR MEDI-CAL HEALTH CARE SERVICES

California Law

- California has a tax on managed healthcare plans (Managed Care Organizations) MCO that matches funds raised with federal funds to offset General Fund spending for Medi-Cal. This tax is reauthorized every 2 to 3 years by the legislature.
- California has vastly expanded the variety of Medi-Cal services in the state to all eligible adults and children, regardless of immigration status, placing a strain on the existing Medi-Cal system.
- Traditionally, the MCO tax was used to offset General Fund spending for Medi-Cal services and programs.
- There is an acknowledgment that structural problems exist with Medi-Cal, primarily that not enough doctors service Medi-Cal patients, making it difficult for patients to obtain timely primary and specialty care appointments.
- Provider rates for doctors have not been adjusted in about ten years. Medi-Cal providers make 30% less than Medicare providers, who make 30% less than traditional insurance rates.

Proposed Law

- In late 2023, the administration, labor groups, healthcare groups, and legislators worked out a deal to increase provider rates while maintaining various services to the same number of Medi-Cal recipients. When the budget deficit was realized, this agreement was scuttled, particularly the amount allocated to physician reimbursements.
- Proposition 35 would codify the 2023 agreement, permanently affixing the spending for programs and services going forward.
- In the short term (2025 and 2026), funding will continue to offset general fund spending.
- In the long term (2027 and future), the funding will primarily increase physician and provider reimbursement rates and services in emergency and family planning.

Policy Considerations

YES on Proposition 35	NO on Proposition 35
<ul style="list-style-type: none"> • An existing state tax for healthcare funding would become more permanent with the government’s approval. Permanent rules would be established on how the state must use the revenue. • An urgent healthcare crisis would be addressed without raising taxes, and other government entities would not be able to redirect funds for non-healthcare purposes. 	<ul style="list-style-type: none"> • Makes clear policy choices: underfunds programs that help the disabled and critically ill. • Children under five will no longer have automatic, continuous enrollment during their most impactful and essential years. • It could have significant, long-term fiscal impacts.

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

Current Law

- 2014’s Proposition 47 requires most theft offenses to be charged as misdemeanors where the dollar amount is less than \$950.
- 2014’s Proposition 47 also required simple drug possession offenses to be charged as misdemeanors rather than felonies.
- 2000’s Proposition 36, and Penal Code Section 1000, provides alternatives to criminal sentencing provided; defendants complete court supervised drug counseling, and the only charged offenses were misdemeanors.

Proposed Law

- Allows a defendant’s third theft offense to be charged as a felony regardless of dollar amount.
- Allows a defendant’s third drug possession offense to be charged as a “treatment mandated felony,” wherein successful drug treatment would be required to prevent a felony sentence from being imposed.
- Adds felony enhancements with mandatory prison time for conduct relating to drug offenses. These include Gun and Drug enhancements, Quantity-Based enhancements, and Great Bodily Injury enhancements.
- Adds a three-year felony enhancement for “gang shoplifting.”

Policy Considerations

Yes on Prop 36	No on Prop 36
<ul style="list-style-type: none">• Gives prosecutors the tools required to promote mass treatment.• Targets serial retail theft, and smash and grab offenses.• Targets drug distributors, whose trafficking of drugs leads to death and great bodily injury.	<ul style="list-style-type: none">• There is no convincing evidence that higher sentences correlate to lower crime.• Shifts resources incarceration and away from local treatment.• There are more human, and more effective alternatives to coerced treatments.

UNIVERSITY OF THE
PACIFIC

McGeorge
School of Law