On Tuesday, Nov. 6, California voters will decide the fate of 11 ballot measures. Originally 12 measures were slated for the ballot, but in July the California State Supreme Court ordered Proposition 9 removed from the November ballot. Proposition 9 was put on the ballot by venture capitalist Tim Draper and would split California into three states. While voters can approve constitutional amendments, it is unclear whether they can legally break up the state. Arguably, that amounts to a constitutional revision, which requires the approval of two-thirds of both houses of the Legislature before it can go to the ballot. For now at least, California will remain intact while the Court decides the fate of Proposition 9. If it does reappear on a future ballot and is approved by voters it would still require congressional approval.

The FCLCA Board of Directors is pleased to make the following recommendations. As is customary, FCLCA’s Program Committee analyzed each proposition and made its recommendations to the full Board. At its meeting on Aug. 24, the Board reached unity on 9 of the 11 measures.

(Continued on page 3)
You and people like you make this work happen.

Our fall fund campaign starts now.

All the work – all the impact – of FCLCA and the FCL Education Fund costs about $362,000 a year.

By the end of December we need to raise $100,000 to fully cover our expenses for this year and start out strong in 2019.

Please give as generously as you can.

Your contribution combined with gifts from other individuals in our community provides 92% of our budget for advocacy, lobbying and education.

You can always give online at www.fclca.org.

Contributions to FCLCA support lobbying and are not tax-deductible. Contributions to the FCL Education Fund are tax-deductible to the extent allowed by law.

When you make a contribution, you

maintain a strong voice in Sacramento that speaks with your values and lobbies at the Capitol on critical legislation at the most critical time.

enable FCLCA to co-sponsor bills that address poverty, criminal justice reform, inequality, and to advocate for a budget that benefits all Californians.

activate grassroots power: your support of activist training, lobby days and online organizing means thousands of constituents can weigh in with their legislators every year.

provide education and thoughtful analysis to lawmakers, activists and the public on complex issues, legislation and ballot initiatives.

Your support in any amount is always welcome and appreciated.

Thank you for being a part of our community.

We couldn’t do it without you.
Proposition 1: Veterans and Affordable Housing Bond Act of 2018. VOTE YES.

Placed on the ballot by the Legislature, passage of Proposition 1 will authorize the state to sell $4 billion in bonds in order to fund affordable housing programs. $3 billion would be slated for the construction and renovation of affordable multi-unit projects, housing infill projects near transit centers, homebuying assistance for low and moderate income residents and construction of farmworker housing. The funds raised by Proposition 1 would also be used to leverage federal dollars and would typically be matched with local dollars. The measure also provides $1 billion to continue funding the CalVet Program. This program operates at no cost to the state, as military veterans who participate in the home loan program pay back the bonds.

California continues to face a housing crisis that impacts the quality of life for all residents, especially low-income residents. We have 21 of the least-affordable housing areas in the country. Homelessness is on the rise. One in five of all homeless people living in the U.S. live in California. Twenty-four percent of homeless veterans live in our state.

Proposition 1 will also put people to work in the construction industry. Our only concern with Proposition 1 is that it does not provide nearly enough funding to address our chronic shortage of affordable housing. FCLCA recommends a YES vote for Proposition 1.

Proposition 2: No Place Like Home Act of 2018. VOTE YES.

Proposition 2 authorizes the state to sell up to $2 billion in bonds in order to fund the No Place Like Home Act, which will provide permanent supportive housing (affordable housing with on-site medical and social services) for homeless persons suffering from mental illness. In 2004, FCLCA supported and voters passed Proposition 63, the Mental Health Services Act, which enacted a 1 percent surtax on annual incomes over $1 million in order to fund county mental health services. According to the Legislative Analyst’s Office (LAO), Proposition 63 raises between $1.5 and $2.5 billion annually. Proposition 2 will amend the Mental Health Services Act (MHSA) providing up to $140 million annually of county mental health funds in order to finance the bonds for supportive housing. Critics contend that Proposition 2 will drain funds for treatment.

It is difficult to know where to stand on Proposition 2 in that there are urgent needs for both mental health services and supportive housing. Supportive housing is desperately needed and alleviates already existing homelessness while mental health treatment can prevent persons with severe mental illness from becoming homeless in the first place. On the other hand, many homeless persons suffering from mental illness are not attracted to shelters but are attracted to permanent housing with wraparound services. Losing one’s home may exacerbate poor mental health. Given the growing need for housing the homeless combined with supportive mental health services, FCLCA recommends a YES vote on Proposition 2.

Proposition 3: Bonds for Water Supply and Quality, Watershed, Fish, Wildlife, Water Conveyance and Groundwater Sustainability and Storage. VOTE NO.

At first glance, it’s easy to find favor with Proposition 3 given California’s vast water problems following years of drought. But a closer examination reveals that Proposition 3 is an example of “pay to play” where funders of the initiative stand to gain handsomely at taxpayers’ expense. This measure would authorize $8.9 billion for a cornucopia of water projects. While many of them may be worthy projects, according the Sierra Club of California: “the proponents of the bond have added many wasteful items to attract rich investors to help support the campaign who will ultimately profit from the bond at taxpayers’ expense.” The bond proceeds in Proposition 3 will be continuously appropriated meaning there would be no legislative appropriation or legislative oversight.

According to the LAO, voters have approved $31 billion in general obligations for various water and environmental projects. Roughly one-third of these bond proceeds are still available to pay for new projects as of June 2018, which includes $4 billion.
that voters approved when passing Proposition 68 in June of this year.

Bond measures should be placed on the ballot through the legislative process, where there is deliberation, give and take and transparency and oversight. Proposition 3 is a special interest gambit drafted solely from the perspective of those special interests who stand to gain the most from its enactment. **FCLCA recommends a NO vote on Proposition 3.**

**Proposition 4: Bonds Funding Construction at Hospitals Providing Children’s Health Care. NO RECOMMENDATION.**

Passage of Proposition 4 will authorize the sale of $1.5 billion in general obligation bonds for the construction and renovation of children’s hospitals. Children’s hospitals, which are usually private nonprofits, are adept at treating more severe, life-damaging or life-threatening illnesses that require long-term, complex or specialized care, or rarer illnesses that physicians, even in large well-staffed city hospitals, are hard pressed to treat properly. Examples include cystic fibrosis, sickle-cell anemia, and children’s cancers.

The FCLCA Board voiced strong support for all children of any income level receiving all medically necessary care. However, strong sentiments were expressed that state bonds should not be used for the benefit of private interests especially when there are other compelling needs that are not being addressed. The bulk of Proposition 4’s bond proceeds, 72 percent, would go to private children’s hospitals, who arguably can raise funds for construction and renovations through capital campaigns. On the other hand, these hospitals often provide critical care to children regardless of their family’s ability to pay. The Board did not reach unity, and therefore **FCLCA makes NO RECOMMENDATION on Proposition 4.**

**Proposition 5: Changes Requirements for Certain Property Owners to Transfer Their Property Tax Base to Replacement Property. VOTE NO.**

The California Association of Realtors spent over $6 million to qualify Proposition 5 on the ballot, which amends the state law and the California Constitution to change the way that property taxes are calculated when persons over age 55 sell their current home and purchase a new home. Currently, homeowners who are over age 55 or severely disabled are eligible for property tax savings by transferring the taxable value of their current home to their new home once in their lifetime, provided that the new home is of lesser or equal value than their current home and the new home is located in the same county. (According to the LAO, 10 counties allow eligible homeowners to transfer their taxable value from homes sold in other counties.)

Under Proposition 5, eligible homeowners would receive property tax savings even if the market value of the new home exceeds the value of their current home. In addition, eligible homeowners would be able to buy bigger and more expensive homes anywhere in the state an unlimited number of times with their property tax liability computed well below market rates.

Proposition 5 would benefit more affluent homeowners and realtors who would enjoy more commissions. It does so at the expense of local governments, which rely heavily on property taxes to fund schools and public services. The LAO estimates that local governments would lose about $1 billion per year annually, and the state would have to backfill the loss of revenue to schools.

The current one-time exception for eligible homeowners who typically downsize after children have grown and left the nest is fulfilling its intended purpose. Proposition 5 is opposed by the California State Association of Counties, the League of Women Voters of California, the National Housing Law Project and the California Alliance for Retired Americans. **FCLCA recommends a NO vote on Proposition 5.**

**Proposition 6: Eliminates Recently Enacted Road Repair and Transportation Funding. Requires Certain Fuel Taxes and Vehicle Fees to be Approved by the Electorate. VOTE NO.**

Proposition 6 is a cynical ploy put on the ballot by Republican anti-tax crusader Carl DeMaio. DeMaio, who chairs Reform California, also led the successful recall of State Senator Josh Newman in a low-turnout primary because Newman voted for legislation to increase gasoline taxes and vehicle fees. Proposition 6 could also figure largely in congressional elections. Proponents hope that its inclusion on the ballot will
help drive Republican voter turnout and keep the House of Representatives in Republican hands.

California’s roads and highways are in disrepair and pose real safety risks in addition to the added wear and tear on vehicles. In 2017, Gov. Brown signed SB 1, which enacted a 12 cent per gallon increase and also increased vehicle license fees, including fees for electric vehicles, which use the roads but do not pay for road upkeep. SB 1 will raise $5.2 billion per year for repairs and maintenance for roads and transportation. Proponents of Proposition 6 contend that the state already has enough money to fund road repairs. However, they do not offer a road map as to what programs should be cut in order to make up for the lost revenues if Proposition 6 passes. While the state has a healthy budget reserve, it in no way could provide sufficient funding to make the kind of investment that is needed. Prior to the enactment of SB 1, fuel taxes had not increased since 1994. Moreover, today’s vehicles get much better gas mileage and generate less tax revenue. Inflation and more efficient gas mileage have eroded funding for maintaining roads and bridges. Voters have twice passed measures prohibiting gasoline taxes from being used for other purposes, including Proposition 69 in June of 2018. Proposition 69 ensures that the recently enacted funds raised by SB 1 cannot be used for other purposes.

Fuel taxes are broad based. Those who use the roads more will pay more. We are mindful that these increases are harder for lower-income people to absorb, and FCLCA supports legislation to help lift people out of poverty. Proposition 6 would also require the voters to approve any fuel tax increases, which would seriously erode the Legislature’s ability to address California’s infrastructure needs. FCLCA recommends a NO VOTE on Proposition 6.

(Continued on next page)

HELP US GROW!

Here are few creative ways to give now:

Become an FCLCA or FCL Education Fund sustainer with a monthly gift of at least $10 a month.

Become an FCLCA Champion with a gift of $1,000 to sponsor a full day of our program. (That’s $83.00 a month spread out over 12 months – about the cost of a gym membership.)

Ask people to contribute in honor of your birthday or other special occasion.

Give appreciated stock held over one year to either FCLCA or the FCL Education Fund. This avoids capital gains taxes, and if donated to a charity like the FCL Education Fund, can be tax-advantaged because the tax deduction will be based on the market value of the gift.

Make a “qualified charitable distribution” to the FCL Education Fund as part of your required minimum distribution from your IRA. (This needs to be done the right way – please contact us for details.)

Consider a planned gift.

People of all levels of income and assets can make a bequest. Bequests have provided critical support during FCLCA’s long history. It’s relatively simple to make a provision for FCLCA, even if you already have a will.

Or consider a planned gift like a charitable gift annuity that provides you income during your lifetime.

For more information visit the DONATE section of our website www.fclca.org or contact us at kevan@fclca.org. For planned gifts, we suggest you also consult with your financial advisor.
Proposition 7: Daylight Saving Time. VOTE YES.

Federal law requires us to set our clocks forward one hour from early March to early November and allows states to remain on standard time all year. In 1949, California voters approved a ballot initiative to establish daylight saving time in California. The Legislature currently cannot make changes to daylight saving time unless the changes are submitted to the voters for approval. If passed by the voters, Proposition 7 allows the Legislature, with the approval of a two-thirds supermajority, to change daylight saving time provided that the change is allowed by the federal government.

Daylight saving time is somewhat controversial. There is a correlation between the abrupt change in people’s sleep patterns and an increase in heart attacks, suicides and auto accidents and lost worker productivity. On the other hand, adopting daylight saving time year round, provided that the federal government approves the change, would mean that school children would be walking to school in the dark on winter mornings.

FCLCA’s support for Proposition 7 is based less on the merits of changing daylight saving time and more on allowing the Legislature to deliberate this issue and to have the authority to make changes if legislative deliberations conclude that it would be prudent to do. FCLCA recommends a YES vote on Proposition 7.

Proposition 8: Authorizes State Regulation of Kidney Dialysis Clinics. Limits Charges for Patient Care. VOTE NO.

Proposition 8 is complex and mired in uncertainty. Four companies operate 505 of the state’s 588 chronic dialysis clinics. These clinics provide life-saving kidney dialysis for patients, usually three times per week. The majority of people receiving dialysis have their treatment covered by Medicare regardless of their age. When a patient with private group or individual health insurance requires dialysis treatment, their insurance covers treatments for a coordination period of 30 months. Chronic dialysis clinics charge private insurers much higher rates than Medicare or Medi-Cal patients that reflects private insurers’ relative bargaining power.

Under Proposition 8, dialysis clinics would be required to pay rebates, including interest and penalties, to private insurers when their revenues exceed a specified cap. Here is where the uncertainty begins. Revenues would be capped at 115 percent of their “direct patient care service costs” and “health care quality improvement costs.” It’s unclear how the Department of Public Health, the regulator, would define these costs. It’s also unclear how chronic dialysis clinics would react to Proposition 8. They could scale back operations and close clinics.

Clearly the proponents have identified a problem that the Legislature so far has not been able to fix. The patchwork delivery of healthcare in the United States and California is broken beyond repair and begs for a holistic universal health care solution as opposed to piecemeal solutions, which can have unintended consequences. Chronic dialysis clinics could close in communities of color where they are needed most. These patients cannot wait for society to take appropriate action to fix healthcare. Due to the urgency of the situation, FCLCA recommends voting NO on Proposition 8.

Proposition 9: This measure was stricken from the ballot by the California Supreme Court.

Proposition 10: Expands Local Governments’ Authority to Enact Rent Control on Residential Property. VOTE YES.

California renters pay monthly amounts for housing that are 50 percent to 100 percent higher than their counterparts in other states. The median rent for a two-bedroom apartment in California is $1,297 per month, but that figure is much higher in urban areas where jobs are plentiful. Although California is a wealthy state, wages for working people have remained flat. Renters are typically paying between 30 percent and 50 percent of their income for rent. California also has the dubious distinction of having the nation’s highest rate of poverty when factoring in our high housing costs. The abnormally high cost of rental housing in California is also a driver of homelessness.

In 1995, the Legislature enacted the Costa-Hawkins Rental Housing Act, which specified that rent con-
Rent control opponents contend that areas with rent control have higher rents than areas without rent control. We think that rent control ordinances are a reaction to market forces and higher rents rather than a cause. Opponents also maintain that rent control will discourage housing construction. This argument is suspect given that since 1995, state law prohibits any new construction from being subject to rent control. Of course, some landlords will be incentivized to convert their rental properties into condominiums or sell off their rental properties. These are challenges that local communities will have to address should they adopt rent control. We support giving local communities the tools to respond to housing crisis in accordance with local conditions. FCLCA recommends a YES vote on Proposition 10.

Proposition 11: Requires Private-Sector Emergency Ambulance Employees to Remain on Call During Work Breaks. VOTE NO.

Should private ambulance companies require ambulance crews to remain on call during rest and meal breaks? Proposition 11 was put on the ballot by American Medical Response (AMR), the country’s largest medical transportation firm, in order to circumvent several lawsuits filed by paramedics and emergency medical technicians. These lawsuits are challenging private ambulance companies’ requirement that those employees remain on call during meal and rest breaks. The California Supreme Court ruled recently in favor of a private security guard whose employer required guards to leave their radio on during their breaks. Seeing the writing on the wall, AMR has gone to the ballot in order to maintain a labor law carve-out for private ambulance companies.

Our opposition to Proposition 11 is less about the proposed policy and more about process. The issues raised by Proposition 11, while important, are extraordinarily technical and complex. Indeed there are compelling arguments for maintaining the labor law carve-out, but we think that this should be vetted and hashed out through the legislative process with input from labor, management and representatives of local governments that contract with private ambulance companies. FCLCA recommends a NO VOTE on Proposition 11.

Proposition 12: New Standards for Confinement of Certain Farm Animals. NO RECOMMENDATION.

Proposition 12 has bitterly divided the Humane Society and animal rights activists opposed to factory farming. In 2008, voters approved Proposition 2, which was sponsored by the Humane Society. Although voters may have thought that they were getting rid of cages, Proposition 2 did not require cage-free confinement. Rather, it prohibited the confinement of farm animals in a manner that does not allow them to extend their legs or wings, lie down or stand up, or turn around freely.

The Humane Society is back at the ballot and is promoting cage-free environments. Beginning in 2020, Proposition 12 requires that egg-laying hens have one square foot of floor space and that calf raised for veal have 43 square feet of floor space. In 2022, egg-laying hens would be required to have “cage-free housing.” According to LAO, “cage-free includes indoor housing systems that provide 1 to 1.5 square feet of floor space.” Factory farms would be able to confine hens on platforms stacked inside crowded sheds, an industry trend that is already becoming prevalent. California businesses that knowingly sell eggs, uncooked pork or veal from animals that do not meet the new confinement standards will be subject to fines.

It seems that Proposition 12, which essentially codifies industry practices, would not significantly improve conditions for farm animals. On the other hand, factory farming achieves economies of scale that make food products less expensive. In a state with high rates of poverty, eggs are a relatively inexpensive source of protein, and Proposition 12 may marginally improve farm animals’ quality of life. FCLCA makes NO RECOMMENDATION on Proposition 12.

– Jim Lindburg <JimL@fclca.org>

FCLCA Newsletter FALL 2018
The Friends Committee on Legislation of California (FCLCA) includes Friends and like-minded persons, a majority of whom are appointed by Monthly Meetings of the Religious Society of Friends in California.

Expressions of views in this newsletter are guided by Statements of Policy prepared and approved by the FCLCA Committees. Seeking to follow the leadings of the Spirit, the FCLCA speaks for itself and for like-minded Friends. No organization can speak officially for the Religious Society of Friends in California.

While we strive above all for correctness and probity, we are quick to recognize that to err is human. We therefore solicit and welcome comments and corrections from our readers.

COMING THIS FALL
An Annual Tradition – Everyone is Invited!

The 52nd Annual Harvest Festival
Saturday, September 29, 2018 • 9am - 4pm

A Benefit for the Friends Committee on Legislation of California

At Palo Alto Friends Meeting
957 Colorado Avenue, Palo Alto, CA

Come to shop, hear music, browse our book sale, and eat lunch at our 52nd Harvest Festival. The specialized boutiques (including an international bazaar, treasured collectibles, jewelry and plants), and HUGE rummage and book sale, guarantee there will be something for everyone.

Visit www.friendsharvestfestival.org