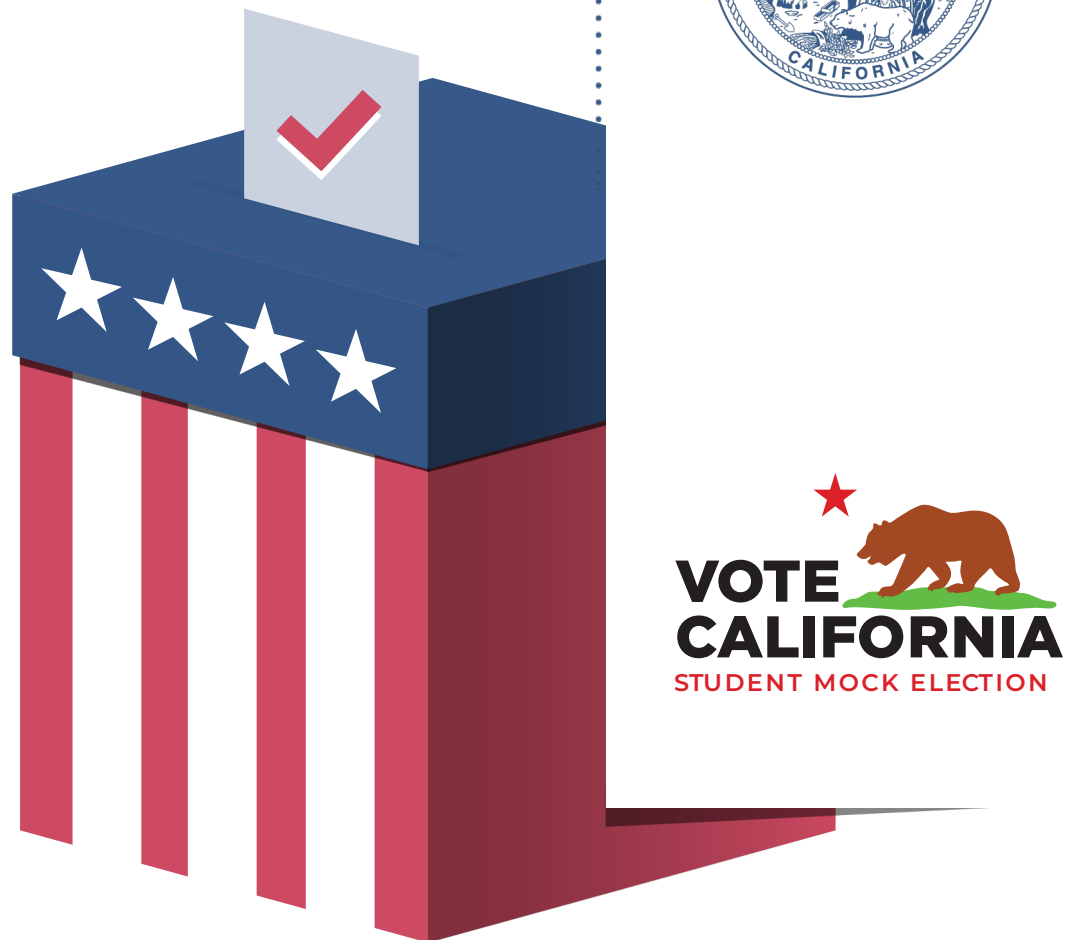


CALIFORNIA

STUDENT MOCK ELECTION

— TUESDAY, OCTOBER 6, 2026 —

★
Student
Voter
Information
Guide



The California Student Mock Election is jointly sponsored by the California Secretary of State and the California Superintendent of Public Instruction.



Intended for Student Mock Election Purposes Only



VOTER BILL OF RIGHTS

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 serving a state or federal prison term for the conviction of a felony, and
 - 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
 -  By phone at **(800) 345-VOTE (8683)**
 -  By email at elections@sos.ca.gov

**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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STUDENT MOCK ELECTION VOTER INFORMATION GUIDE STATEMENT



The contents of this guide were obtained from the November 3, 2026, General Election state Voter Information Guide. The information included in this guide is non-partisan.



Arguments printed in this guide are the opinions of the authors and have not been checked for accuracy by any official agency. The views and opinions of the candidates are their own and do not necessarily represent the views and opinions of the Secretary of State's Office.



Tabulating and Reporting Mock Election Results

October 6 is Student Mock Election Day

Please enter your school's results once voting is complete and you have tallied your school's votes.

Enter your results:

sos.ca.gov/elections/studentmockelection/

View statewide mock election results:

sos.ca.gov/elections/studentmockelection/mock-election-results/

Although most schools will vote and report their results on October 6, you may begin voting and report your results as early as September 29. Results will be posted on the Student Mock Election website beginning at 5:00 p.m. on October 6, and final results will be announced on October 7.

Pre-register at **Sixteen.** Vote at **Eighteen.**

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.

Pre-registration is available for eligible 16- and 17-year-olds at registertovote.ca.gov or via the paper voter registration form. California youth who pre-register to vote will have their registration become active once they turn 18 years old. Visit registertovote.ca.gov for a complete list of the registration requirements.

Pre-register in 2 easy steps:

1. Visit RegisterToVote.ca.gov
2. Click the "Pre-register to Vote" button

You are automatically registered on your 18th birthday.

What if I would like to make changes to information such as my address or political party preference before I turn 18?

Update your information by re-registering (or pre-registering) to vote online at registertovote.ca.gov. Voter registration applications are also available at your local county elections office, local Department of Motor Vehicles field office, and other public locations.

Voter Registration

To register or update your existing voter registration, visit the Secretary of State's website at: RegisterToVote.ca.gov



QUICK REFERENCE GUIDE

PROP
1

AUTHORIZES BONDS FOR HOUSING AFFORDABILITY PROGRAMS.
LEGISLATIVE STATUTE.

SUMMARY

Put on the Ballot by the Legislature

Authorizes \$11.25 billion in state general obligation bonds for housing affordability programs, including multifamily rental housing, mortgages for veterans, supportive housing, preservation of existing affordable housing, and downpayment assistance. **Fiscal Impact:** Increased state cost of \$500 million to \$600 million annually for about 25 years to repay the housing bond. **Supporters:** US Vets; CA Federation of Teachers; Self-Help for the Elderly; Habitat for Humanity CA; CA Alliance of Child & Family Services **Opponents:** None submitted

WHAT YOUR VOTE MEANS

YES A YES vote on this measure means: The state could borrow \$11.25 billion to support veterans and affordable housing.

NO A NO vote on this measure means: The state could not borrow \$11.25 billion to support veterans and affordable housing.

ARGUMENTS

PRO Prop. 1 builds affordable homes for veterans, seniors, people with disabilities, low- and middle-income working families, vulnerable Californians and essential workers—teachers, firefighters and nurses. Expands homeownership opportunities, fast-tracks affordable shovel-ready homes, helps those one crisis away from homelessness. Requires strict fiscal accountability and public oversight with no new taxes.

CON NO ARGUMENT AGAINST PROPOSITION 1 WAS SUBMITTED.

FOR ADDITIONAL INFORMATION

FOR

info@yesonprop1ca.com
yesonprop1ca.com

AGAINST

PROP
2

INCREASES STATE'S RAINY DAY FUND.
LEGISLATIVE CONSTITUTIONAL AMENDMENT.

SUMMARY

Put on the Ballot by the Legislature

Increases California's Rainy Day Fund, approved by voters in 2014, to provide funding for education, health care, public safety, and other essential services during economic downturns. **Fiscal Impact:** State budget reserves would be higher. **Supporters:** CA Professional Firefighters; LA Chamber of Commerce; Gavin Newsom; Xavier Becerra; Assemblymember Jesse Gabriel **Opponents:** None submitted

WHAT YOUR VOTE MEANS

YES A YES vote on this measure means: Rules for building state budget reserves and paying down extra state debts would change. As a result, state budget reserves would be higher. The state also would be required to make extra debt payments for longer.

NO A NO vote on this measure means: Rules for building state budget reserves and paying down extra state debts would not change.

ARGUMENTS

PRO Vote yes on Proposition 2 to protect schools, healthcare, and public safety funding. Proposition 2 doubles the state's Rainy Day Fund, stops politicians from overspending when there is a budget surplus, and ensures education funding continues during economic downturns. It has bipartisan support from firefighters, hospitals, health clinics, and educators.

CON Proposition 2 guarantees more spending, not savings, creating a loophole that makes taxpayer rebates less likely by excluding reserve deposits from California's constitutional spending limit. It provides no new funding for education, healthcare, or public safety. Vote No to protect taxpayer rebates and constitutional limits.

FOR ADDITIONAL INFORMATION

FOR

Yes on Prop. 2
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AGAINST

David Tangipa,
Assemblymember
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QUICK REFERENCE GUIDE

PROP
3

PROVIDES PERMANENT FUNDING FOR SCHOOLS AND HEALTH CARE BY EXTENDING EXISTING TAX ON HIGH INCOMES. INITIATIVE CONSTITUTIONAL AMENDMENT.

PROP
4

REPEALS PROHIBITION AGAINST PUBLIC FUNDING OF ELECTION CAMPAIGNS. LEGISLATIVE STATUTE.

SUMMARY

Put on the Ballot by Petition Signatures

Makes permanent existing voter-approved tax rates for individuals earning over \$371,000 (adjusted annually for inflation). Allocates tax revenues to public education. **Fiscal Impact:** Maintains \$5 billion to \$15 billion of annual state income tax revenue by making a temporary tax increase on high-income earners permanent instead of letting it expire in 2031. **Supporters:** California Teachers Association; CA School Nurses Organization; California State PTA; Planned Parenthood Affiliates of CA **Opponents:** California Taxpayers Association; Family Business Association of California; California Hispanic Chambers of Commerce

WHAT YOUR VOTE MEANS

YES A YES vote on this measure means: An income tax increase on high-income earners in place since 2012 would become permanent instead of expiring in 2031.

NO A NO vote on this measure means: An income tax increase on high-income earners in place since 2012 would expire in 2031.

ARGUMENTS

PRO PROPOSITION 3 PROTECTS OUR SCHOOLS AND HEALTHCARE WITHOUT RAISING YOUR TAXES. Prop. 3 prevents a massive tax cut for millionaires and billionaires by maintaining the current tax rates the wealthiest 2% have paid for 15 years and requires strict accountability and audits to ensure school funding gets to classrooms. Vote YES.

CON Californians *already* pay the nation's highest income, sales, and gas taxes—and have the highest cost of living. Prop. 3 makes *temporary income taxes permanent* while Sacramento *wastes billions* on failed programs instead of voters' priorities. Don't reward failure. *Fix spending first* before making taxes permanent. No on Prop. 3.

FOR ADDITIONAL INFORMATION

FOR

Yes on Prop 3
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Sacramento, CA 95814
info@YesProp3CA.com
YesProp3CA.com

AGAINST

info@VoteNoProp3.com
VoteNoProp3.com

SUMMARY

Put on the Ballot by the Legislature

Repeals prohibition on state and local governments offering public funding of candidate election campaigns. Public funding programs may not use funds earmarked for education, transportation, or public safety. **Fiscal Impact:** Ongoing costs to the state of a few hundred thousand dollars each year for the Fair Political Practices Commission to answer questions from state and local governments about public campaign finance programs. **Supporters:** League of Women Voters of CA; California Nurses Association; Mental Health Advocacy; Social Security Works; Consumer Watchdog **Opponents:** California Taxpayers Assn; Howard Jarvis Taxpayers Assn; Family Business Assn of California; United Latinos Action

WHAT YOUR VOTE MEANS

YES A YES vote on this measure means: State and local governments could create public campaign financing programs for public office candidates, subject to limits on which public funds could be used, how the public funds could be used, and who could receive them.

NO A NO vote on this measure means: State and most local governments would remain unable to create public campaign finance programs for public office candidates.

ARGUMENTS

PRO YES ON 4. California is the **ONLY** state that bans public funding of campaigns—communities in all other 49 states have this right. Special interests want to keep the ban to protect their power. Prop. 4 removes it. Strict taxpayer safeguards. Vote YES: Elections should be won, not bought.

CON Prop. 4 allows politicians to use **YOUR** taxpayer money to fund their negative campaigns. Prop. 4 has **NO LIMIT** on the number of candidates who can get taxpayer money and **NO LIMIT** on how much taxpayer money they can get. Worse yet, Prop. 4 allows **SPECIAL INTEREST MONEY IN POLITICS**. **NO ON PROP. 4.**

FOR ADDITIONAL INFORMATION

FOR

Yes on Proposition 4,
Californians for Fair
Elections, sponsored by
Government Reform
Advocates
info@CAFairElections.org
www.CAFairElections.org

AGAINST

California Taxpayers
Association
www.caltax.org/prop4

QUICK REFERENCE GUIDE

PROP
5

CHANGES RECALL ELECTION PROCESS FOR STATEWIDE OFFICERS. LEGISLATIVE CONSTITUTIONAL AMENDMENT.

SUMMARY

Put on the Ballot by the Legislature

Under current law, voters elect replacement candidates at the same time as the recall election. This measure instead fills recall vacancies by subsequent special election or appointment. **Fiscal Impact:** Net fiscal effect unknown. In the event of a recall, savings or costs of millions of dollars to administer the election depending on the office recalled. **Supporters:** None submitted **Opponents:** None submitted

WHAT YOUR VOTE MEANS

YES A YES vote on this measure means: Recall elections would no longer include a question about who should fill the vacancy. Instead, vacancies typically would be filled through special elections or appointments, depending on the office and timing.

NO A NO vote on this measure means: Voters would continue to be asked who should fill the vacancy as part of recall elections.

ARGUMENTS

PRO Proposition 5 restores the recall to its original purpose: removing corrupt officials. It closes the loophole that allows replacements to win with a small fraction of the vote, reducing the politics and costs of future recalls. Endorsed by League of Women Voters of California and California Common Cause. Vote YES

CON Proposition 5 degrades California's century-old recall process by limiting voters' right to select a replacement for recalled officials. Instead, when statewide elected officials are recalled, other politicians would choose a replacement. For lower offices, another costly, taxpayer-funded election would come months later, leaving the office vacant and the people unrepresented.

FOR ADDITIONAL INFORMATION

FOR

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hello@fixtherecall.com
fixtherecall.com

AGAINST

PROP
37

CREATES LOAN PROGRAM FOR MIDDLE-INCOME BUYERS OF QUALIFIED NEW HOMES. INITIATIVE STATUTE.

SUMMARY

Put on the Ballot by Petition Signatures

Authorizes \$25 billion in bonds to offer eligible buyers fixed-rate mortgages for up to 17% of purchase price of a newly constructed home priced below about \$1.5 million. Borrowers must be California residents, occupy the home, meet income limits, and pay at least 3% down. Bonds repaid by mortgage payments, not State. **Fiscal Impact:** No direct state or local costs. **Supporters:** United Nurses Associations of California; California Conference of Carpenters; California State Treasurer Fiona Ma **Opponents:** None submitted

WHAT YOUR VOTE MEANS

YES A YES vote on this measure means: The state would create a new homebuying assistance program. The state could sell up to \$25 billion in revenue bonds to fund the program. Bonds would be paid back by homeowners' payments on their home loans.

NO A NO vote on this measure means: The state would not be required to create a new homebuying assistance program.

ARGUMENTS

PRO Zero Taxpayer Cost—No Taxpayer Risk. Prop. 37 makes buying a home more affordable, keeping homeownership attainable for hardworking and middle-class Californians, with low-interest mortgages funded by private bond investors, NOT TAXPAYERS. Must be CA resident to qualify, meet income requirements, occupy home, make monthly payments, repay loan. Strict accountability/audits.

CON NO ARGUMENT AGAINST PROPOSITION 37 WAS SUBMITTED.

FOR ADDITIONAL INFORMATION

FOR

<https://voteyeson37.com/>
Info@voteyeson37.com

AGAINST

QUICK REFERENCE GUIDE

PROP 38 AUTHORIZES BONDS FOR IMMUNOLOGY MEDICAL RESEARCH. INITIATIVE STATUTE.

SUMMARY *Put on the Ballot by Petition Signatures*

Authorizes \$8.4 billion in general obligation bonds for immunology and immunotherapy research, half to a single University of California-affiliated nonprofit medical research institute, half to research grants. **Fiscal Impact:** Increased state cost of \$500 million to \$600 million annually for about 20 years to repay the research bond, with some or all of the cost offset if the funded research generates revenue. **Supporters:** Michael J. Fox Foundation; Alzheimer's Los Angeles; Kidney Cancer Assoc; American Nurses Assoc\CA **Opponents:** Robert M Kaplan Ph.D.

WHAT YOUR VOTE MEANS

YES A YES vote on this measure means: The state could borrow \$8.4 billion to support medical research in immunology and immunotherapy conducted by California research institutes and universities.

NO A NO vote on this measure means: The state could not borrow \$8.4 billion to support medical research in immunology and immunotherapy conducted by California research institutes and universities.

ARGUMENTS

PRO YES on 38 supports life-saving immunology research to cure and prevent diseases like cancer, heart disease, Alzheimer's. Strong accountability including independent audits. Mandates 20% Rx discount. Designed to ensure no cost to taxpayers. YES on 38 could save your life and someone you love. Alzheimer's Association, The Michael J. Fox Foundation for Parkinson's Research urge YES on 38! www.YESon38.com

CON California should continue supporting biomedical research, but Proposition 38 is the wrong approach. It would commit taxpayers to decades of new bond debt while limiting California's flexibility to address changing health priorities. Research funding should be guided through the normal budget process—not by ballot initiatives.

FOR ADDITIONAL INFORMATION

FOR YES on 38: Californians for Life-Saving Immunology Research and Cures Info@YesOn38.com <https://yeson38.com>

AGAINST Robert M Kaplan Stanford University School of Medicine, Clinical Excellence Research Center Stanford CERC, CAM Building 453 Quarry Road, Palo Alto, CA 94305 (301) 412-0205 bob.kaplan@stanford.edu

PROP 39 PROHIBITS CITIZENS FROM VOTING UNLESS THEY PRESENT GOVERNMENT-ISSUED IDENTIFICATION. INITIATIVE CONSTITUTIONAL AMENDMENT.

SUMMARY *Put on the Ballot by Petition Signatures*

Invalidates mail ballots that do not have last four digits of designated government-issued identification number written on envelope. Prohibits in-person voting without presenting government-issued identification. **Fiscal Impact:** Costs of between tens of millions of dollars and low hundreds of millions of dollars each year to implement new voting requirements. **Supporters:** The Transparency Foundation; Latino American Political Assn; Howard Jarvis Taxpayers Assn; CA Women's Leadership Assn **Opponents:** ACLU California Action; Common Cause; League of Women Voters of California

WHAT YOUR VOTE MEANS

YES A YES vote on this measure means: Voters would be required to present additional identifying information to elections officials each time they vote.

NO A NO vote on this measure means: A voter's identity would continue to be established with the voter's signature.

ARGUMENTS

PRO Yes on Prop. 39 gives California a BIPARTISAN solution for VOTER ID. Supported by a solid majority of Democratic, Independent and Republican voters. Increases trust and confidence in our elections.

CON No on Prop. 39. This would advance Trump's voter suppression agenda by adding costly, unnecessary barriers that could block eligible California voters, expose personal information to identity theft, and waste hundreds of millions in taxpayer dollars. Don't let MAGA billionaires decide which voters count. Vote No.

FOR ADDITIONAL INFORMATION

FOR YES on Proposition 39—Californians for Voter ID Info@voteridca.org www.VoterIDCA.org

AGAINST No on Prop. 39—Californians for Voting Rights info@caforvotingrights.org CAforvotingrights.org

QUICK REFERENCE GUIDE

PROP 40 IMPOSES ONE-TIME TAX ON CERTAIN TAXPAYERS. INITIATIVE CONSTITUTIONAL AMENDMENT AND STATUTE.

SUMMARY *Put on the Ballot by Petition Signatures*

Imposes 5% tax on certain taxpayers with assets over \$1 billion; revenue primarily for health care. Exempts revenues from constitutional requirements for school funding and spending limit. **Fiscal Impact:** Temporary revenue increase of tens of billions of dollars spread over several years from wealth tax on billionaires. Possible ongoing decrease of less than \$1 billion per year in income tax revenue from billionaires. **Supporters:** US Senator Bernie Sanders; SEIU United Healthcare Workers West **Opponents:** California Primary Care Association; California School Boards Association; California Taxpayers Association

WHAT YOUR VOTE MEANS

YES A YES vote on this measure means: The state would collect a one-time tax from billionaires equal to 5 percent of their wealth.

NO A NO vote on this measure means: The state would *not* collect a one-time tax from billionaires equal to 5 percent of their wealth.

ARGUMENTS

PRO Vote YES on 40 to tax billionaires. Trump slashed healthcare funding to pay for billionaire tax breaks, eliminating coverage for over a million Californians and doubling health insurance premiums for millions more. It's time to make billionaires pay their fair share and stop sticking the middle class with the bill.

CON Prop. 40 is a flawed, one-time tax scheme that hurts our economy, damages our state budget, and contains a loophole exposing all Californians to taxes we can't afford—but does nothing to lower healthcare costs. No safeguards, no accountability. Join California Teachers Association, California Medical Association, California Children's Hospital Association, California Professional Firefighters, State Building and Construction Trades Council of California, Democrats and Republicans: NO on 40.

FOR ADDITIONAL INFORMATION

FOR

Suzanne Jimenez
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www.yeson40.com

AGAINST

Californians to Protect Funding for Schools, Healthcare and Public Safety
Info@VoteNoOn40.org
VoteNoOn40.org

PROP 41 PROHIBITS NEW STATE TAXES THAT EXCLUDE REVENUES FROM STATE SPENDING LIMIT. REQUIRES AUDITS FOR NEW STATE SPECIAL TAXES. INITIATIVE CONSTITUTIONAL AMENDMENT.

SUMMARY *Put on the Ballot by Petition Signatures*

Nullifies state taxes enacted after January 1, 2026 that exempt their revenues from voter-approved state spending limit. Requires pre-election and recurring audits of programs funded by new special taxes. **Fiscal Impact:** The net fiscal effect is unknown as it depends on future decisions by voters, the Legislature, and other policymakers. **Supporters:** CA Society of Certified Public Accountants (CalCPAs); CalAsian Chamber of Commerce; California Taxpayers Association (CalTax) **Opponents:** US Senator Bernie Sanders; SEIU United Healthcare Workers West

WHAT YOUR VOTE MEANS

YES A YES vote on this measure means: When special taxes are proposed by voter initiatives, the California State Auditor would review programs funded by the tax before the initiative appears on the ballot. The California State Auditor also would regularly review programs funded by special taxes approved by voters or the Legislature. In addition, the state might not be able to exclude any new special tax spending from its spending limit.

NO A NO vote on this measure means: The California State Auditor's responsibility to review government programs would not change. The state spending limit requirements would not change.

ARGUMENTS

PRO Californians deserve better results for our taxes. Billions have flowed into programs like homelessness, with too little to show for it. Prop. 41 requires the independent State Auditor to conduct PUBLIC AUDITS of programs funded by new taxes—so we get more transparency, more accountability and better outcomes for taxpayers.

CON Prop. 41 isn't really about audits—it's a billionaire-funded trick designed to undo the California Billionaire Tax. Billionaires would rather millions of Californians lose healthcare than pay a modest tax on their extreme wealth. Don't fall for the billionaires' lies. Vote NO on 41.

FOR ADDITIONAL INFORMATION

FOR

Yes on 41—Californians for Transparency and Accountability, A Coalition of Small Businesses, Taxpayers, Good Government Advocates, Accountants, and Auditing Experts
info@YesonProp41.org
YesonProp41.org

AGAINST

Suzanne Jimenez
SEIU-UHW
5480 Ferguson Drive
Los Angeles, CA 90022
(855) 507-7562
info@YesOn40.com
www.yeson40.com

QUICK REFERENCE GUIDE

PROP 42 PROHIBITS NEW STATE PERSONAL PROPERTY TAXES AND CERTAIN RETROACTIVE STATE TAXES. INITIATIVE CONSTITUTIONAL AMENDMENT.

SUMMARY *Put on the Ballot by Petition Signatures*

Prohibits any new state tax (1) imposed on the ownership of personal property (all things people own other than real estate), or (2) that applies retroactively based on taxpayer's past activities. Nullifies taxes enacted after January 1, 2026 that conflict with this measure. **Fiscal Impact:** Possibility that tax revenues will not go up as much in the future. **Supporters:** CA Professional Firefighters; State Building & Construction Trades Council of CA; AMVETS Department of CA **Opponents:** US Senator Bernie Sanders; SEIU United Healthcare Workers West

WHAT YOUR VOTE MEANS

YES A YES vote on this measure means: The state could not establish new taxes on the ownership of financial assets or other personal property.

NO A NO vote on this measure means: The state would continue to have the option to establish new taxes on the ownership of financial assets or other personal property.

ARGUMENTS

PRO California's Constitution currently allows the Legislature to tax retirement and savings—even though you already paid taxes on that money when you earned it! Prop. 42 protects Californians from this double taxation, by prohibiting new and retroactive taxes on personal property, including retirement and savings. You earned it. Prop. 42 protects it.

CON This is just another billionaire-funded trick. Prop. 42 isn't really about protecting your retirement savings—its only real purpose is to undo the California Billionaire Tax. Billionaires would rather millions of Californians lose healthcare than pay a modest tax on their extreme wealth. Vote NO on 42.

FOR ADDITIONAL INFORMATION

FOR
Yes on 42—Protect Retirement and Life Savings, a coalition of retirees, blue-collar workers, seniors, veterans, small business and taxpayers
info@yesonprop42.org
YesOnProp42.org

AGAINST
Suzanne Jimenez
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www.yeson40.com

PROP 43 LIMITS VOTERS' ABILITY TO RAISE REVENUES FOR LOCAL GOVERNMENT SERVICES. LEGISLATIVE CONSTITUTIONAL AMENDMENT.

SUMMARY *Put on the Ballot by the Legislature*

Limits voters' ability to pass voter-proposed local special taxes by increasing percentage of votes needed to approve such ballot measures from a majority (over 50%) to two-thirds, beginning January 1, 2027. **Fiscal Impact:** Possibility that local government tax revenues will not go up as much in the future due to a higher vote threshold for certain taxes. **Supporters:** California Taxpayers Association; Family Business Association of California; California Hispanic Chambers of Commerce **Opponents:** California Professional Firefighters; California Federation of Teachers; Nurse Alliance of SEIU CA.

WHAT YOUR VOTE MEANS

YES A YES vote on this measure means: Certain local government taxes would require two-thirds approval by voters.

NO A NO vote on this measure means: Certain local government taxes could continue to be approved by voters with a majority vote.

ARGUMENTS

PRO Prop. 43 protects taxpayers by restoring Proposition 13's two-thirds vote requirement to pass local special taxes, including sales taxes, real estate taxes and utility taxes. Courts have allowed special interests to pass earmarked tax increases with fewer votes. Prop. 43 closes this loophole, protecting taxpayers, homeowners and renters. Vote yes.

CON PROPOSITION 43 LIMITS VOTERS' ABILITY TO FUND ESSENTIAL LOCAL SERVICES including fire protection, 911 response, schools, roads, hospitals and affordable housing. It doesn't cut your taxes and lets just 33.4% of voters veto what nearly 67% want. Protect your vote and majority rule. Vote NO on Proposition 43.

FOR ADDITIONAL INFORMATION

FOR
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AGAINST
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Noprop43CA.com

QUICK REFERENCE GUIDE

PROP 44 REQUIRES COMMUNITY HEALTH CLINICS SPEND 90% OF REVENUE ON PROGRAM SERVICES. INITIATIVE STATUTE.

SUMMARY

Put on the Ballot by Petition Signatures

Imposes penalties on nonprofit Federally Qualified Health Centers (community clinics providing primary care to medically underserved areas and populations) that spend less than 90% of revenue on “program services” advancing their charitable purpose, including but not limited to patient services. **Fiscal Impact:** Increased state costs in the low tens of millions of dollars per year, covered by fees. **Supporters:** None submitted **Opponents:** American Academy of Pediatrics CA; CA School Nurses Org; CA Academy of Family Physicians; CA Medical Assoc.

WHAT YOUR VOTE MEANS

YES A YES vote on this measure means: Certain private nonprofit health care clinics would have to spend at least 90 percent of their revenue each year on providing health care services.

NO A NO vote on this measure means: The new requirement on health care clinic spending would not go into effect.

ARGUMENTS

PRO Prop. 44 holds community clinics and their executives accountable by requiring that 90% of clinic revenue be spent on clinics’ charitable mission: patient care and services that make care possible. It increases transparency, reduces wasteful executive spending, and ensures healthcare dollars go where they belong: caring for Californians in need.

CON Prop. 44 is a dangerous measure that will shut down hundreds of community health clinics and eliminate vital patient services for millions of Californians. American Academy of Pediatrics CA, California Medical Association, California Academy of Family Physicians, California School Nurses Organization, doctors, nurses and patients urge NO on 44! www.NOProp44.com

FOR ADDITIONAL INFORMATION

FOR

Gustavo Medina
SEIU-UHW
5480 Ferguson Drive
Los Angeles, CA 90022
(323) 805-0241
contact@yesonprop44.com
yesonproposition44.com

AGAINST

No on Prop. 44—Stop the Attack on Patients and Community Health Clinics
info@noprop44.com
www.NoProp44.com

PROP 45 MODIFIES ENVIRONMENTAL REVIEW FOR CERTAIN PROJECTS. INITIATIVE STATUTE.

SUMMARY

Put on the Ballot by Petition Signatures

Amends California Environmental Quality Act (CEQA) to expedite environmental review for certain projects (including most housing, transportation, water, and health projects) by setting deadlines to complete environmental review and resolve lawsuits challenging project approvals. **Fiscal Impact:** Initial costs for state and local governments, likely in the high tens of millions of dollars—potentially exceeding \$100 million—annually, partly covered by fees. Uncertain, potentially more significant positive or negative longer-term fiscal effects. **Supporters:** California Children’s Hospital Association; California Water Association; California Council for Affordable Housing **Opponents:** Coalition for Clean Air; CA Environmental Voters; Physicians for Social Responsibility, LA; National Wildlife Federation

WHAT YOUR VOTE MEANS

YES A YES vote on this measure means: Certain public and private projects would be eligible for new project review and court challenge procedures. For example, new procedures would tighten time limits for environmental review and reduce the scope of what courts can consider when reviewing legal challenges.

NO A NO vote on this measure means: Public and private projects would continue to use existing project review and court challenge procedures.

ARGUMENTS

PRO The failing status quo is making California unaffordable. Prop. 45 fixes our broken system and lowers our high cost of living by cutting red tape to build housing, water, schools, hospitals, clean energy, and wildfire prevention faster—while maintaining California’s strong environmental protections. Vote YES for a more affordable California. YESonProp45.com

CON PROPOSITION 45 LIMITS ENVIRONMENTAL AND PUBLIC REVIEW OF PROJECTS BUILT IN YOUR COMMUNITY. It guts The California Environmental Quality Act—flipping California law to protect corporate profits over public health and our air and water. Prop. 45 won’t lower your costs: its utility and corporate funders profit while taxpayers pay more. VOTE NO.

FOR ADDITIONAL INFORMATION

FOR

YES ON 45—BUILDING A MORE AFFORDABLE CALIFORNIA, A COALITION OF WATER, AFFORDABLE HOUSING, CLEAN ENERGY, SMALL BUSINESS, HEALTHCARE, AND COMMUNITY LEADERS
info@YesonProp45.com
YESonProp45.com

AGAINST

No on Prop. 45
555 Capitol Mall, Suite 400
Sacramento, CA 95814
info@Noprop45CA.com
Noprop45CA.com

LEARN WHILE YOU EARN

ARE YOU IN HIGH SCHOOL? BE A POLL WORKER!

YOU GET TO

- Help carry out the most important event in our democracy—an election
- Get paid for your day of service while you learn about elections
- Contribute to your community

YOU HAVE TO

- Be a United States 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 your parents and school

DID YOU KNOW?

High school students are allowed to have one excused absence per year to attend a civic or political event, such as serving as a poll worker.



**FOR MORE INFORMATION, CONTACT YOUR
COUNTY ELECTIONS OFFICE, OR VISIT:**

sos.ca.gov/elections/poll-worker-information



CALIFORNIA SECRETARY OF STATE SHIRLEY N. WEBER, PH.D.

(800) 345-VOTE

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) raises at least \$1 million, it must report its top 10 contributors to the California Fair Political Practices Commission (FPPC). The committee must update the list when there is any change.

These lists are available on the FPPC website at:
fppc.ca.gov/transparency/top-contributors.html

To research campaign contributions for candidates or ballot measures, visit the Secretary of State's website at powersearch.sos.ca.gov.



The California Motor Voter program is making registering to vote at the California Department of Motor Vehicles (DMV) more convenient and secure. All eligible individuals completing a driver's license, ID card, or change of address transaction online, by mail, or in person at the DMV will be automatically registered to vote unless they choose to "opt out" of automatic voter registration.

The California Motor Voter program applies to Californians who are 18 years or older and meet all the following criteria:

- A United States citizen.
- A resident of California.
- Not currently serving a state or federal prison term for the conviction of a felony.
- Not currently found mentally incompetent to vote by a court.

Voter pre-registration is available for those 16 and 17 years of age. Their voter registration will become active automatically when they turn 18 years of age.

For more information, visit motorvoter.sos.ca.gov.

To register to vote online, visit registertovote.ca.gov.

PROPOSITION **1** **AUTHORIZES BONDS FOR HOUSING AFFORDABILITY PROGRAMS.**
LEGISLATIVE STATUTE.

1

OFFICIAL TITLE AND SUMMARY

PREPARED BY THE ATTORNEY GENERAL

The text of this measure can be found on page 100 and the Secretary of State's website at voterguide.sos.ca.gov.

- Authorizes \$11.25 billion in state general obligation bonds for housing affordability programs, including for California veterans, and to finance housing development projects seeking federal tax credits.
- Allocates funds:
 - \$5.1 billion to build and rehabilitate multifamily rental housing;
 - \$2.1 billion to acquire, rehabilitate, or preserve affordable housing units, and provide supportive housing for those experiencing homelessness;
 - \$1.25 billion for state-funded mortgages for California veterans;
 - \$1.1 billion for homeownership and downpayment assistance;
 - \$1 billion for farmworker, tribal, and student housing;

- \$500 million for housing infrastructure; and
- \$200 million to support local housing programs.

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

- Increased state cost of \$500 million to \$600 million annually for about 25 years to repay the housing bond.

State Bond Cost Estimate

Authorized new borrowing	\$11.25 billion
Annual cost to pay off bond	\$500 million to \$600 million ^a
Likely repayment period	25 years
Source of repayment	General tax revenue

^a Proposition 1 includes \$1.25 billion for a veterans housing program. This borrowing would not result in estimated state cost.

FINAL VOTES CAST BY THE LEGISLATURE ON SB 417 (PROPOSITION 1)
(CHAPTER 16, STATUTES OF 2026)

Senate:	Ayes 29	Noes 2
Assembly:	Ayes 61	Noes 7

ANALYSIS BY THE LEGISLATIVE ANALYST

BACKGROUND

Public Sector Funds Some Home Building. In most years, about 100,000 houses and apartments are built in California. Most of these

housing units are built entirely with private dollars. Some, however, receive financial help from federal, state, or local governments. In the case of housing funded by the state, the state government generally provides local

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

governments, nonprofit organizations, and private developers with grants or low-cost loans to fund a portion of the housing units' construction costs. Typically, housing built with these funds must be sold or rented to Californians with low incomes.

Bonds Are a Common Way for the State to Fund Home Building and Homeownership Programs. Over the past few decades, the state has used general obligation bonds to fund various housing programs. Bonds are a way the state borrows money to cover the up-front costs of a development and then repays the money plus interest over time. The last statewide general obligation bond for affordable housing was approved by voters in 2024, providing \$2 billion to provide housing for veterans and other people with mental health or substance use challenges who are facing homelessness.

Home Loan Program for Veterans. The state's veterans home loan program provides home loans to eligible veterans, including veterans who may not otherwise qualify for a home loan. Under the program, the state sells general obligation bonds to investors and uses the funds to provide loans to veterans to purchase homes. Participating veterans repay the cost of the bonds through their payments on their home loan. The last statewide general obligation bond for veterans

home loans was approved by voters in 2018, which provided \$1 billion for the program.

PROPOSAL

New General Obligation Bond for Housing. Proposition 1 allows the state to sell \$11.25 billion in general obligation bonds for housing purposes. This amount consists of (1) a \$10 billion bond for a variety of state housing programs that would be repaid by the General Fund and (2) a \$1.25 billion bond that would be repaid by veterans' payments on their home loans. (The General Fund is the account the state uses to pay for most public services, including education, health care, and prisons. For more information on the state's General Fund-supported bonds, please see "Overview of State Bond Debt" later in this guide.)

State Housing Programs. Proposition 1 provides bond funding for various types of housing programs, which are summarized in Figure 1. The funds would be allocated over a number of years. The major categories of housing programs supported by the bond are:

- ***Affordable Multifamily Housing Programs.*** Proposition 1 provides \$7.2 billion to acquire, build, or renovate rental housing, such as apartment buildings. These programs generally provide

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

local governments and private developers with low-interest loans to fund part of the project cost. In exchange, projects generally must reserve units for low-income households for a period of 55 years. Some of this funding would be used for supportive housing, which provides on-site services (such as mental health and substance use counseling) to certain residents.

- **Homeownership Programs.** Proposition 1 provides \$1.1 billion to support homeownership for low- and moderate-income households. Some of the funds would be used to provide homebuying assistance for first-time homebuyers through loans that generally do not have to be paid back until the home is sold or paid off. Other funds would be provided to nonprofit organizations and other entities for activities such as acquiring land to build homes for eligible low-income homebuyers and repairing existing homes owned by low-income households.
- **Infrastructure Programs.** Proposition 1 provides \$500 million for a variety of infrastructure projects to support affordable housing developments, such as water, sewage, parks, and transportation improvements.

- **Farmworker Housing Program.** Proposition 1 provides \$450 million in loans and grants to build or renovate housing for farmworkers. Program funds could be used for both rental and owner-occupied housing.
- **Higher Education Student Housing Programs.** Proposition 1 provides \$350 million, split evenly between the University of California and California State University, for affordable student housing.
- **Tribal Housing Program.** Proposition 1 provides \$200 million in grants to tribes. Funds could be used for various housing-related purposes, including construction and repair of rental and owner-occupied housing.

Figure 1

Proposed Uses of Bond Funds

(In Millions)

Category of Programs	Amount
State Housing Programs	
Affordable multifamily housing	\$7,200 ^a
Homeownership	1,100
Infrastructure	500
Farmworker housing	450
Higher education student housing	350
Tribal housing	200
Local pilot programs	200
Subtotal	(\$10,000)
Veterans Housing Program	
Veterans home loans	\$1,250
Total	\$11,250

^a Includes \$150 million for youth housing.

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

- **Local Pilot Programs.** Proposition 1 provides \$200 million that would be available to cities, counties, and certain other entities for pilot projects aimed at developing housing at reduced costs.

Veterans Housing Program.

Proposition 1 also provides \$1.25 billion for home loan assistance to veterans. Veterans generally use these loans to purchase single-family residences, condominiums, farms, and mobile homes.

FISCAL EFFECTS

Increased State Cost to Repay the \$10 Billion Bond for Housing Programs.

The state General Fund cost to repay the bond would be **\$500 million to \$600 million annually for about 25 years.** The estimated annual cost would be about one-quarter of 1 percent (0.25 percent) of the state's total General Fund budget. Since the state has to pay interest on the money it borrows, the total cost of the bond would be about 15 percent more (after adjusting for inflation) than if the state paid up front with money it already has.

No Direct State Cost for Veterans Housing Program.

Veterans participating in the home loan program would make monthly payments to the state, allowing the state to repay

the bonds. These payments have always covered the amount owed on the bonds, meaning the program has always operated at no direct cost to the state.

Administrative Costs. A number of state entities would experience increased costs to administer the various housing programs. A portion of the bond funds would cover these costs.

Impact of Funds. Much of the funding from Proposition 1 would be used together with other government monies to provide housing assistance. The bond funds would provide subsidies for up to 40,000 multifamily rental units, as well as about 2,500 units for farmworkers and about 1,200 beds for university students. The funds also would help up to 40,000 households, including about 2,100 veterans, with homeownership by providing homebuyer assistance and supporting the production and repair of homes.

Visit sos.ca.gov/campaign-lobbying/cal-access-resources/measure-contributions/2026-ballot-measure-contribution-totals for a list of committees primarily formed to support or oppose this measure.

Visit fppc.ca.gov/transparency/top-contributors.html to access the committee's top 10 contributors.

★ ARGUMENT IN FAVOR OF PROPOSITION 1 ★

YES ON PROP. 1: AFFORDABLE HOMES FOR VETERANS, SENIORS, PEOPLE WITH DISABILITIES AND WORKING FAMILIES—WITHOUT RAISING TAXES

All Californians deserve a safe and affordable place to call home, but California has a housing shortage that is driving the nation's worst housing affordability crisis. More than half of renters spend over 30% of their income on rent and only 22% of households can afford a median-priced home, yet only 1% of California's state budget goes to housing.

Prop. 1 gives Californians the opportunity to:

- Fast-track housing production;
- Provide housing to working families, veterans, people with disabilities and seniors;
- Help prevent homelessness by keeping our most vulnerable neighbors in their homes;
- Expands homeownership opportunities;
- Maintains strict fiscal accountability and transparency with **NO NEW TAXES**.

PROP. 1 HONORS OUR VETERANS

Dedicates \$1.25 billion solely to veterans' housing and homeownership opportunities through the existing CalVet Home Loan Program, which has already helped almost a million veterans and their families.

"California has one of the largest populations of homeless veterans in the nation. After their service, our veterans deserve a place to call home. Prop. 1 delivers on that promise."—Michael Blecker, President, CA Association of Veteran Service Agencies

PROP. 1 BUILDS HOMES LOW- AND MIDDLE-INCOME FAMILIES CAN AFFORD

Prop. 1 jumpstarts the construction of tens of thousands of shovel-ready affordable homes across California, quickly turning stalled construction into move-in ready homes. The teacher in your child's classroom, the firefighter who protects your neighborhood, first-time homebuyers, low- and middle-income Californians, and the nurse at your local hospital can no longer afford to live in most California communities. Prop. 1 builds more homes working people can actually afford.

NO NEW TAXES—STRICT ACCOUNTABILITY AND TRANSPARENCY

Prop. 1 doesn't raise taxes and every dollar comes with strict accountability and public reporting. Voters will be

able to see exactly how many homes get built, where, and at what cost. Prop. 1 unlocks federal matching funds, bringing tax dollars we send to Washington back home to California.

PROP. 1 HELPS SENIORS, VETERANS & OUR MOST VULNERABLE

Prop. 1 creates and preserves housing to help those who are one crisis away from homelessness stay off the streets, low-income seniors on fixed incomes, survivors of domestic violence and their families, veterans, at risk and foster youth, and people with disabilities who all deserve safe and stable homes.

PROP. 1 INVESTS IN COMMUNITIES & ESSENTIAL WORKERS

Quality, affordable housing is the foundation of thriving communities. Prop. 1 strengthens that foundation by helping essential workers—from firefighters and teachers to nurses—afford to live in the communities they serve. Working families and essential workers across California are being priced out and left behind. Prop. 1 enables the construction of affordable housing for these essential workers who dedicate their lives to our communities.

YES ON PROP. 1: SUPPORTED BY VETERANS, SENIORS, TEACHERS, FIREFIGHTERS, AND AFFORDABLE HOUSING ADVOCATES including Habitat for Humanity California, California Alliance for Retired Americans, Housing California, California Housing Consortium, California Alliance of Child and Family Services.

VOTE YES ON PROP. 1, Veterans and Affordable Housing Bond, to honor those veterans who served; provide safe and stable housing to California's most vulnerable; guarantee strict fiscal accountability with no new taxes; and build the affordable homes all Californians deserve.

YesOnProp1CA.com

Anni Chung, President
Self-Help for the Elderly

Jeffery Freitas, President
California Federation of Teachers

John H. Ing, Chief Financial Officer
US Vets

NO ARGUMENT AGAINST PROPOSITION 1 WAS SUBMITTED.

PROPOSITION **2** **INCREASES STATE'S RAINY DAY FUND.**
LEGISLATIVE CONSTITUTIONAL AMENDMENT.

OFFICIAL TITLE AND SUMMARY

PREPARED BY THE ATTORNEY GENERAL

2

The text of this measure can be found on page 106 and the Secretary of State's website at voterguide.sos.ca.gov.

- Increases California's Rainy Day Fund, approved by voters in 2014, to provide funding for education, health care, public safety, and other essential services during economic downturns.
- Doubles the budget reserve cap from 10% to 20% of General Fund revenues, requiring savings until Fund's balance equals 20% of General Fund.
- Requires additional savings in years when tax revenues are high.
- Increases budget reserves available for education, state debts, and pension obligations.

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

- State budget reserves would be higher.

FINAL VOTES CAST BY THE LEGISLATURE ON ACA 20 (PROPOSITION 2)
(CHAPTER 130, STATUTES OF 2026)

Senate:	Ayes 29	Noes 2
Assembly:	Ayes 59	Noes 8

ANALYSIS BY THE LEGISLATIVE ANALYST

BACKGROUND

THE STATE BUDGET

How Does the State Spend Its Money?

This year, the state plans to spend about \$250 billion from the General Fund to pay for services to the public. The General Fund is the account the state uses to pay for most public services. About half of this spending is for schools, community colleges, and the state's public universities. (The State Constitution sets a minimum spending level for schools and community colleges.) About another one-third of state spending is for health and human services programs, mainly

for the state's low-income health insurance program, Medi-Cal. The rest goes mostly to prisons, courts, and other state services.

How Does the State Raise Revenue?

The income tax is the state's largest tax. It pays for most spending from the General Fund. Other major taxes include the corporation tax and the sales tax. Much of the income tax is paid by high-income taxpayers, whose incomes often include gains from stocks and other investments.

State Revenues Are Unpredictable.

State revenues go up and down a lot from year to year. This is because revenues depend on how the economy

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

and stock market are doing. When things are going well, revenues can grow quickly. When things are going badly, like during a recession or a stock market crash, revenues can decline by tens of billions of dollars. During a bad recession or market crash, total revenue declines over a few years can equal 50 percent or more of annual General Fund revenues.

The State Must Meet Certain Budgeting Requirements Each Year.

The State Constitution requires the Legislature to pass a balanced budget each year. This means the state cannot adopt a budget that spends more money than is available. In addition, the State Constitution limits how much tax revenue the state can spend. This limit is called the “state appropriations limit.” Certain kinds of spending—like infrastructure—do not count toward the limit. All other spending, including money put into reserves, does count toward the limit.

RESERVES

Reserves Allow the State to Maintain Spending When Revenues Decline. The state puts money into reserves when the economy is doing well. This means that money is saved instead of being spent on public programs during these periods of time. When the economy gets worse and revenues decline, the state uses reserves to help maintain spending on public programs. Reserves

help the state avoid some spending cuts, tax increases, and borrowing to balance the budget. Currently, the state has about \$20 billion in reserves that can be used for any public program.

State Constitution Requires the State to Save Money in the “Rainy Day Fund.”

The State Constitution requires the state to deposit 0.75 percent of General Fund tax revenues in the state’s main rainy day fund, which is called the Budget Stabilization Account, each year. Money in the rainy day fund can be used for any state program. In addition, the state must put more money into the rainy day fund in years when revenue from taxes on investment gains is higher than normal. During a budget emergency, the state can stop making deposits and/or take money out of the rainy day fund.

Savings Are No Longer Required Once the Rainy Day Fund Reaches a Certain Level.

Once money in the rainy day fund reaches 10 percent of General Fund taxes, the state is no longer required to make additional deposits. The money that would have gone into the rainy day fund instead must be spent on infrastructure (like highways and housing).

DEBT

The State Has Different Kinds of Debts. The state has more than

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

\$250 billion in debts. These include debt for infrastructure and pension and retiree health benefits earned by state employees. The state also sometimes borrows money from other state funds to help pay General Fund costs. State debts are repaid over time, usually according to a schedule or plan. Each year, the state makes payments toward its debts.

State Constitution Requires the State to Make Extra Debt Payments Toward Pension and Health Benefits. The State Constitution requires the state to make extra debt payments above those normally made each year. The amount of these extra debt payments is the same as the amount initially deposited into the rainy day fund each year. The state may only use these extra debt payments to pay down long-term pension and retiree health care debts. Making extra payments toward these debts saves the state money in the long run.

Extra Debt Payments Optional After 2030. The requirement for extra debt payments ends in 2030. After that, the Legislature and the Governor could decide to deposit the money for extra debt payments into the rainy day fund instead. Or, the Legislature and the Governor could make smaller extra debt payments and put the rest of the money into the rainy day fund.

PROPOSAL

Save More in the Rainy Day Fund.

Proposition 2 requires the state to make deposits into the rainy day fund until it reaches 20 percent of General Fund taxes (instead of 10 percent of General Fund taxes). In addition, the state would make even larger deposits in years when revenues from taxes on investment gains are very high, like when the stock market is booming.

Extend and Expand Extra Debt

Payments. Proposition 2 also requires the state to make extra debt payments through 2040 (instead of through 2030). These debt payments would be the same as the amount initially deposited into the rainy day fund each year. In addition, the amount set aside for extra debt payments could be used for an expanded set of purposes. Specifically, these payments could be used to make required payments to schools and community colleges, repay borrowing from other state funds, and repay certain loans from the federal government.

Change How Rainy Day Fund Deposits Count Toward the State Appropriations Limit. Deposits into the rainy day fund would not count toward the state appropriations limit. Instead, the money would count toward the limit when it is taken out.

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

Change How Other Deposits Count Toward the State Appropriations Limit.

The state has an account to set aside funds when revenues are surging. By setting these funds aside, the state can avoid overspending when revenue estimates are particularly uncertain. Under Proposition 2, deposits into this account also would not count toward the state appropriations limit. Instead, the money would count toward the limit when it is taken out. This exclusion could not be larger than 10 percent of General Fund taxes in each year.

FISCAL EFFECTS***Budget Reserves Would Be Higher.***

By continuing to require deposits into the rainy day fund until the balance reaches 20 percent of General Fund taxes, the state would save more over time. In addition, by depositing more

money when revenues are surging, the state likely would save more in the rainy day fund in certain years. More reserves would make balancing the budget somewhat easier when revenues decline.

Possibly More Debt Payments. By requiring the state to make extra debt payments through 2040, the state might make more debt payments than it would without Proposition 2.

Visit sos.ca.gov/campaign-lobbying/cal-access-resources/measure-contributions/2026-ballot-measure-contribution-totals for a list of committees primarily formed to support or oppose this measure.

Visit fppc.ca.gov/transparency/top-contributors.html to access the committee's top 10 contributors.

★ ARGUMENT IN FAVOR OF PROPOSITION 2 ★

2

VOTE YES ON PROPOSITION 2 TO PROTECT SCHOOLS, HEALTHCARE, PUBLIC SAFETY AND CALIFORNIA'S FINANCIAL FUTURE.

California's Rainy Day Fund, established by voters in 2014, was built for exactly this moment: an economy that swung our state budget from a \$100 billion surplus to a \$50 billion deficit in just a few years.

Proposition 2 strengthens that fund, so schools, healthcare, and public safety don't pay the price for Sacramento's boom-and-bust budgeting.

Voting YES on Proposition 2 will:

- **DOUBLE THE STATE'S RESERVE REQUIREMENT**—from 10 to 20 percent of General Fund revenues—so California has a real cushion, not a token one, when the next downturn hits.
- **STOP SACRAMENTO POLITICIANS FROM OVERSPENDING**—When tax revenues spike, this measure forces politicians to budget smarter by requiring the state to bank more of that windfall instead of committing it to new ongoing spending California can't sustain.
- **GUARANTEE EDUCATION FUNDING IS PROTECTED IN THE STATE CONSTITUTION**, even as reserves grow.
- **INCREASE FINANCIAL SECURITY**—As Washington moves to cut billions in health care and food assistance funding, this measure will ensure California is better prepared to absorb those losses without slashing the programs Californians depend on.

This is not a partisan idea. Republicans and Democrats in the state Legislature and Governor Gavin Newsom support Proposition 2.

California's own nonpartisan Legislative Analyst's Office has recommended that the state should be saving significantly more than current rules require. Proposition 2 follows that advice.

Please join the California Professional Firefighters, small business organizations, and former Health Secretary Xavier Becerra in supporting Proposition 2 because they see, firsthand, what happens when reserves run dry: healthcare clinics closed, schools defunded, essential services cut, and fire protection slashed.

Saving for a rainy day is what California families do. It's what California's state government should do too.

Vote YES on Proposition 2—and make sure the next time the economy turns, California is ready.

Learn more at YesOnProp2.com.

Darrell Roberts, President
California Professional Firefighters

Jesse Gabriel, Chair
California State Assembly Budget Committee

Maria S. Salinas, CEO
Los Angeles Area Chamber of Commerce

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 2 ★

The supporters of Proposition 2 want you to believe this measure is about fiscal responsibility and protecting funding for education, public safety, and healthcare. Within 24 hours of introducing this measure, many of the same politicians who praised it as a way to build reserves also supported legislation to suspend more than \$5 billion in required deposits into the state's savings account.

Proposition 2 asks Californians to double the size of the savings account while making it less likely that taxpayers will receive the rebates they are constitutionally owed.

PROP. 2 MAKES TAXPAYER REBATES LESS LIKELY

State revenues that exceed constitutional spending limits must be returned to taxpayers. Proposition 2 creates a loophole, allowing politicians to shift billions into reserve accounts that no longer count towards the spending limit, making your rebate far less likely.

PROP. 2 DOES NOT GUARANTEE ANY NEW FUNDING FOR HEALTHCARE, EDUCATION OR PUBLIC SAFETY

Supporters claim Prop. 2 will protect education, healthcare, and public safety. Currently, it doesn't dedicate any new dollars to any of those priorities. Sacramento politicians will continue to decide how much to spend each year, not you. Prop. 2 only allows for politicians to spend more on pet projects.

Sacramento doesn't need another budget gimmick or wasteful spending. It needs the discipline to live within the constitutional limits that voters have already approved.

Vote NO on Proposition 2.

David Tangipa, Vice Chair
Assembly Budget Committee

Carl DeMaio, Chairman
Reform California

Steven Choi, Vice Chair
Senate Elections and Constitutional Amendments Committee

★ ARGUMENT AGAINST PROPOSITION 2 ★

Voting NO on Prop. 2 means more money in your pocket—and less wasteful spending!

PROP. 2 CREATES A SLUSH FUND FOR SACRAMENTO POLITICIANS

In 1978 California voters overwhelmingly voted to amend the state constitution to impose a spending limit on state politicians—and the politicians have hated that spending limit ever since. Prop. 2 allows the politicians to gut the voter-imposed spending limit. What the politicians dishonestly call a “rainy day fund” is actually a SLUSH FUND! Politicians can raid this new slush fund to feed their runaway spending habits.

PROP. 2 CANCELS YOUR TAX REBATE

California already has the highest taxes in the nation, but the state constitution requires that a tax rebate be provided to you when revenues exceed the spending limit. Prop. 2 creates loopholes and accounting gimmicks so politicians can eliminate any chance of you getting your tax rebate.

PROP. 2 ALLOWS FOR MORE WASTEFUL SPENDING

California’s state budget has grown by 76% since 2018—and the size of state government has mushroomed by 40% even after adjusting for inflation! Do you feel like you are getting 40% more services and benefits today than you did in 2018? Of course not! In fact, many core services to citizens have been gutted. We’re spending more, but getting less.

That’s because state politicians have diverted your tax dollars to boondoggle projects and no-bid contracts that reward their campaign contributors. Of the little money spent on important programs, too much of it is being lost because of fraud and wasteful spending. By eliminating the spending limit on politicians we will see even more wasteful spending.

PROP. 2 MAKES OUR BUDGET MORE VOLATILE

When times are good, the state is supposed to set money aside so families and businesses are not hit with tax increases, cuts to essential services, or budget chaos during the next economic downturn. Sacramento doesn’t need a new tool to save money. It needs the discipline to follow the rules already in place and stop spending money it doesn’t have. Prop. 2 makes our budget more volatile—putting us at greater risk of a financial crisis.

PROP. 2 IS OPPOSED BY TRUSTED BUDGET WATCHDOGS

Take a look at who is supporting Prop. 2: politicians who have repeatedly mismanaged our budget and special interests that get government contracts! Within 24 hours of putting it on the ballot, the politicians backing Prop. 2 voted to suspend more than \$5 billion in required deposits into the state’s budget reserve. In contrast, opponents of Prop. 2 are government accountability and transparency watchdogs—including the Reform California and the Transparency Foundation. Californians do not need another budget gimmick dressed up as reform. We need honest budgeting, reform of wasteful spending, and a real spending limit to hold politicians accountable.

VOTE NO ON PROP. 2.

David Tangipa, Vice Chair
Assembly Budget Committee

Steven Choi, Vice Chair
Senate Elections and Constitutional Amendment Committee

Carl DeMaio, Chairman
Reform California

2

★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 2 ★

PROPOSITION 2 PROTECTS CALIFORNIANS FROM BOOM-AND-BUST BUDGETS

Opponents say the state needs “discipline,” not a new tool. But relying on their definition of “discipline” alone gave California a \$100 billion surplus followed by a \$50 billion deficit—exactly the boom-and-bust cycle Proposition 2 is designed to prevent. That instability, not this measure, is what leads to layoffs, healthcare cuts, slashed services, and tax hikes.

STOPS SACRAMENTO POLITICIANS FROM OVERSPENDING—Proposition 2 does not give Sacramento any new money to spend. On the contrary, it doubles the state’s reserve requirement and forces more savings—rather than new spending—when tax revenues spike.

PROTECTS SCHOOLS, PUBLIC SAFETY, AND HEALTHCARE—When the economy slows, Proposition 2 helps protect funding for schools, hospitals, health clinics, and public safety instead of placing them first in line for cuts. The theoretical “rebate” opponents refer to relies on

a 50-year-old accounting gimmick that rewards spending instead of saving. Proposition 2 closes that loophole and mandates a real 20% Rainy Day Fund.

Don’t be fooled by those who call themselves “watchdogs.” California’s official nonpartisan Legislative Analyst’s Office has recommended that the state expand the Rainy Day Fund to prevent boom-and-bust budget cycles. That’s why Proposition 2 is backed by the California Professional Firefighters, small business advocates, health clinics, hospitals, and education leaders—people who understand what happens when reserves run dry.

VOTE YES ON PROPOSITION 2—www.YesonProp2.com

Dr. Linda Darling-Hammond, President
California State Board of Education

Carmela Coyle, CEO
California Hospital Association

Francisco J. Silva, CEO
California Primary Care Association

PROPOSITION **3** PROVIDES PERMANENT FUNDING FOR SCHOOLS AND HEALTH CARE BY EXTENDING EXISTING TAX ON HIGH INCOMES. INITIATIVE CONSTITUTIONAL AMENDMENT.

OFFICIAL TITLE AND SUMMARY

PREPARED BY THE ATTORNEY GENERAL

The text of this measure can be found on page 109 and the Secretary of State’s website at voterguide.sos.ca.gov.

3

- Makes permanent the existing 2012 voter-approved tax rates for high-income Californians, currently set to expire in 2031.
- Rates apply to income over about \$371,000 for single filers, \$742,000 for joint filers, and \$505,000 for heads of household (2025 levels; adjusted annually for inflation).
- Allocates tax revenues 89% to K–12 schools, 11% to community colleges.
- Allows local school boards to decide how revenues are spent; bars use for administrative costs.

- Increases General Fund revenues available for health care, budget reserves, and other programs.

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

- Maintains \$5 billion to \$15 billion of annual state income tax revenue by making a temporary tax increase on high-income earners permanent instead of letting it expire in 2031.

ANALYSIS BY THE LEGISLATIVE ANALYST

BACKGROUND

Most State Money Comes From the Income Tax. The income tax is the state’s largest tax. It pays for most spending from the state’s main operating account, the General Fund. The General Fund is the account the state uses to pay for most public services, including education, health care, and prisons. The tax applies to most types of income, such as salaries, wages, interest, and profits from the sale of stocks, property, and other investments. The income tax rate starts out low and gradually goes up for taxpayers with higher incomes. For example, a married couple pays a 1 percent tax on the first \$21,000 of income, a 2 percent tax on income between \$21,000 and \$50,000, and a 4 percent tax on income between \$50,000 and \$80,000.

Prior Voter-Approved Tax Increases.

Voters approved Proposition 30 in 2012 to temporarily increase income tax rates on high-income taxpayers. In 2016, voters approved Proposition 55 to extend these higher rates until 2030. The top 2 percent of California taxpayers pay these higher rates. These taxpayers pay about half of all state income taxes.

How Does the State Spend Its Money?

This year, the state plans to spend about \$250 billion from the General Fund to pay for services to the public. About half of this spending is for schools, community colleges, and the state’s public universities. (The State Constitution sets a minimum spending level for schools and community colleges.) About another one-third of state spending is for health and human services programs, mainly for the state’s low-income health insurance

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

program, Medi-Cal. The rest goes mostly to prisons, courts, and other state services.

PROPOSAL

Proposition 3 makes the higher income tax rates established by Proposition 30 permanent instead of letting them expire in 2031. Figure 1 shows what income tax rates would be if this measure passes and what they would be if it is rejected.

FISCAL EFFECTS

Proposition 3 Would Bring in Between \$5 Billion and \$15 Billion Each Year.

The amount of money brought in by Proposition 3 will go up and down a lot from year to year. This is because much of the revenue comes from taxing income that is closely tied to the stock market, which is always changing. In a weak year, the proposition might bring in around \$5 billion in revenue to the state. In a

strong year, the proposition might bring in \$15 billion in revenue to the state. In most years, revenue would be in between these amounts.

Funding for Education and Other Programs. Proposition 3 results in funding for education and other programs. Roughly 40 percent of the funding would go to schools and community colleges. The rest would go to other state programs. Part of this amount would be set aside in budget reserves the state could use to fund these programs when revenues decline.

Visit sos.ca.gov/campaign-lobbying/cal-access-resources/measure-contributions/2026-ballot-measure-contribution-totals for a list of committees primarily formed to support or oppose this measure.

Visit fppc.ca.gov/transparency/top-contributors.html to access the committee’s top 10 contributors.

Figure 1

Personal Income Tax Rates Under Proposition 3

Single Filer’s Income	Joint Filers’ Income	Marginal Tax Rate		
		Now Through 2030	After 2030, if This Proposal Is...	
			Approved	Rejected
\$0 to \$11k	\$0 to \$22k	1.0%	1.0%	1.0%
\$11k to \$26k	\$22k to \$53k	2.0	2.0	2.0
\$26k to \$41k	\$53k to \$83k	4.0	4.0	4.0
\$41k to \$58k	\$83k to \$115k	6.0	6.0	6.0
\$58k to \$73k	\$115k to \$145k	8.0	8.0	8.0
\$73k to \$371k	\$145k to \$743k	9.3	9.3	9.3
\$371k to \$446k	\$743k to \$892k	10.3%	10.3%	9.3%
\$446k to \$743k	\$892k to \$1.5 million	11.3%	11.3%	9.3%
Above \$743k	Above \$1.5 million	12.3%	12.3%	9.3%

★ ARGUMENT IN FAVOR OF PROPOSITION 3 ★

PROPOSITION 3 PROTECTS OUR SCHOOLS, HEALTHCARE AND OUR COMMUNITIES WITHOUT RAISING YOUR TAXES.

Proposition 3 is NOT a new tax and does NOT raise taxes on anyone. Prop. 3 prevents millionaires and billionaires from getting a tax cut, and requires strict accountability and audits to ensure school funding gets to classrooms.

PROP. 3 PREVENTS BILLIONS IN CUTS TO OUR SCHOOLS AND HEALTHCARE.

Without Prop. 3, California's 8 million public school and community college students face billions in cuts, including teacher layoffs, overcrowded classrooms and bigger class sizes. Families could lose access to preventive healthcare and affordable prescription drugs, and the Medi-Cal coverage that millions of Californians rely on could be put at risk.

PROP. 3 ONLY EXTENDS THE CURRENT TAX RATES ON THE WEALTHIEST TOP 2%.

Prop. 3 maintains the income tax rates that the wealthiest Californians have paid for the past 15 years. If those tax rates are allowed to expire, it would give millionaires and billionaires a massive tax cut at the expense of our classrooms, clinics and communities. Proposition 3 keeps the existing rates on the top 2% of incomes.

GUARANTEES THE MONEY REACHES THE CLASSROOM—NOT SACRAMENTO.

Proposition 3 includes Constitutional protections and tough accountability. It guarantees that funds from Proposition 3 go directly to local schools—the Legislature and Sacramento politicians cannot touch it, redirect it, or spend a single dollar on bureaucracy or administrative overhead. Prop. 3's school guarantee then frees up billions that help fund Medi-Cal for children, seniors and families.

Every dollar in Prop. 3 is independently audited every year and any official who misuses the money faces prosecution and criminal penalties. Local school districts must post

annual accounting online to guarantee that Californians know exactly how and where funds are spent.

PROP. 3 SECURES OUR CHILDREN'S FUTURE.

For more than a decade, these revenues have helped fund critical programs California families and communities count on—from school lunches, smaller class sizes and mental health counselors to children's healthcare and Medi-Cal. They've also helped stave off cuts during economic downturns by investing more in the state's Rainy Day Fund, protecting our schools and healthcare when the economy slows. Proposition 3 keeps that progress going for the next generation.

PROP. 3 IS SUPPORTED BY TEACHERS, NURSES, AND HEALTHCARE WORKERS.

Yes on 3 is supported by:

- California State PTA
- California Federation of Teachers
- California Nurses Association
- California School Employees Association
- California School Nurses Organization
- California Teachers Association
- Community College League of California
- Nurse Alliance of SEIU California
- Planned Parenthood Affiliates of CA

The educators in our classrooms and the nurses who care for our kids all agree: Vote YES on Proposition 3. Let's protect what matters most, without raising your taxes.

Vote YES on Proposition 3.

www.YesProp3CA.com

David Goldberg, President
California Teachers Association

Katie Nilsson, RN, President
California School Nurses Organization

Jodi Hicks, President
Planned Parenthood Affiliates of California

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 3 ★

NO ON PROP. 3—STOP PERMANENTLY HIGHER INCOME TAXES

In 2012, politicians and special interests promised Californians that their income tax increases would be TEMPORARY. Now they're claiming that making those taxes permanent somehow ISN'T a tax increase at all.

Don't buy it. Prop. 3 locks in what would become the largest permanent state income tax increase in California history—costing taxpayers up to \$15 billion every year.

NO ON PROP. 3—REMIND POLITICIANS WHAT "TEMPORARY" MEANS

Temporary: lasting for a limited time only; not permanent.

California taxpayers kept their end of the bargain—paying temporary higher income taxes for 16 years. Politicians should keep theirs and stop pushing for even higher taxes.

NO ON PROP. 3—STOP WASTEFUL SPENDING

Prop. 3 does nothing to stop the waste, fraud and reckless spending that turned a \$100 billion budget surplus into a \$30 billion deficit in just three years. If Sacramento had spent responsibly, they wouldn't be asking taxpayers to

make "temporary" taxes permanent.

NO ON PROP. 3—DON'T MAKE CALIFORNIA EVEN MORE EXPENSIVE

Californians have the highest cost of living and pay the highest income, sales and gas taxes in America. Making a temporary tax permanent only makes California more expensive.

NO ON PROP. 3—FIX THE SPENDING PROBLEM FIRST
California doesn't have a tax revenue problem—it has a spending problem. California's population grew by less than 2% in the past decade while the politicians doubled spending. Say no to permanently higher taxes. Join us to oppose higher income taxes at VoteNoProp3.com.

NO ON PROP. 3

Jon Coupal, President
Howard Jarvis Taxpayers Association

Carlos Solorzano, CEO
Hispanic Chambers of Commerce of San Francisco

Clint Olivier, President
Central Valley Business Federation

★ ARGUMENT AGAINST PROPOSITION 3 ★

PROP. 3—TURNS “TEMPORARY” TAXES INTO PERMANENT HIGHER INCOME TAXES

Sacramento politicians make big promises to get our support for higher taxes. Then they spend our tax dollars with no accountability—losing billions to waste, fraud and overspending.

Take Prop. 3. Politicians told voters higher income taxes would be temporary—only for seven years to cover a budget deficit. Then those “temporary” taxes were extended for another 12 years with the promise to voters that the higher taxes would solve the problems the politicians created.

Now the special interests and politicians want to make these higher income taxes PERMANENT.

California voters should say NO to PERMANENTLY higher income taxes.

PROP. 3—HIGHER INCOME TAXES = HIGHER COST OF LIVING

Californians have the nation’s highest cost of living partly because we also suffer from the highest income taxes, highest sales taxes and highest gas taxes of all fifty states. The same politicians also gave us the highest gasoline prices in the nation, higher insurance costs, higher utility costs, higher food costs, and higher housing costs. Now they want to make higher income taxes permanent, while adding new taxes on your health insurance, new taxes on software—and they are even considering a “jobs” tax. Say NO to INCREASING our cost of living with higher taxes.

PROP. 3—VOTERS DESERVE REAL RESULTS, NOT BROKEN PROMISES

Waste, fraud and overspending by state government is not an excuse to raise our taxes even higher.

The politicians and special interests promised temporary income taxes were needed to avoid big cuts to government programs. Since the “temporary” increases were first passed, government spending has increased by

\$150 billion—a more than 2.5X increase. Over the same time period, our schools, infrastructure and public safety have gotten worse. Say NO to endless broken promises.

NO ON PROP. 3—STOP WASTEFUL SPENDING

The politicians and special interests turned a \$100 billion budget surplus into a \$30 billion budget deficit in just three years. They mismanaged our tax dollars so badly, they now want voters to bail them out with permanently higher taxes. Say NO to \$100 billion wasted on a train to nowhere.

Say NO to \$37 billion wasted on homeless programs that don’t work.

Say NO to \$31 billion wasted on unemployment fraud.

NO ON PROP. 3—FIX SACRAMENTO’S SPENDING PROBLEM BEFORE RAISING TAXES

California doesn’t have a revenue problem. We have a spending problem. California’s population barely grew in the past 10 years, but the politicians more than doubled spending.

It’s not just state taxes that keep going up. Politicians and special interests have imposed more than 2,000 new local tax increases in just the past ten years—making it much harder for struggling Californians to make ends meet.

Californians shouldn’t support any higher taxes until we get spending under control.

STOP WASTEFUL SPENDING.

NO NEW TAXES.

NO ON PROP. 3.

Robert Gutierrez, President

California Taxpayers Association

Robert Rivinius, President

Family Business Association of California

Julian Canete, President

California Hispanic Chambers of Commerce

★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 3 ★

Proposition 3 protects our schools, our healthcare and our communities—without raising your taxes.

PROP. 3 KEEPS THE TAX RATES THE TOP 2% HAVE PAID FOR THE PAST 15 YEARS AND DOES NOT RAISE YOUR TAXES.

Prop. 3 maintains the current tax rates the wealthiest 2% of Californians have been paying for 15 years, ensuring couples that earn more than \$740,000 continue to pay their fair share.

WITHOUT PROP. 3 MILLIONAIRES AND BILLIONAIRES GET A MASSIVE TAX CUT—AND THE REST OF US PAY FOR IT.

Teacher and staff layoffs, overcrowded classrooms and fewer counselors in our schools; cuts to Medi-Cal, children’s healthcare and the clinics families rely on; and less for the firefighters, emergency response and wildfire protection that keep our communities safe.

PROP. 3 HAS STRICT ACCOUNTABILITY AND FUNDS EDUCATION DIRECTLY.

Prop. 3’s funding goes straight to local schools and community colleges. Sacramento politicians cannot touch it

or redirect it. Not one penny may be spent on bureaucracy or administrative overhead. Every dollar is independently audited every year, districts must post their spending online, and any official who misuses the money faces prosecution and criminal penalties.

PROP. 3 PROTECTS HEALTHCARE AND FIRE PROTECTION.

By guaranteeing funding for our classrooms, Prop. 3 ensures California can also invest in Medi-Cal and children’s healthcare, and in the firefighters and wildfire protection our communities depend on. That’s why teachers, school employees, nurses and firefighters agree: VOTE YES ON PROPOSITION 3.

www.YesProp3CA.com

Jeff Freitas, President

California Federation of Teachers

Darrell Roberts, President

California Professional Firefighters

Adam Weinberger, President

California School Employees Association

PROPOSITION
4 **REPEALS PROHIBITION AGAINST PUBLIC FUNDING OF
ELECTION CAMPAIGNS. LEGISLATIVE STATUTE.**

OFFICIAL TITLE AND SUMMARY

PREPARED BY THE ATTORNEY GENERAL

The text of this measure can be found on page 115 and the Secretary of State's website at voterguide.sos.ca.gov.

- Current law prohibits state and local governments from using public funds for election campaigns except in charter cities and counties.
- This measure repeals that prohibition and allows state and local governments to establish public campaign financing programs for candidates who agree to specified spending limits and meet eligibility criteria.
- Prohibits public funding programs from using funds earmarked for education, transportation, or public safety.
- Prohibits candidates from using public funds for legal defense costs, fines, or repayment of personal loans to campaigns.

- Triples maximum fine for campaign contributions by foreign entities.

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

- Ongoing costs to the state of a few hundred thousand dollars each year for the Fair Political Practices Commission to answer questions from state and local governments about public campaign finance programs.

**FINAL VOTES CAST BY THE LEGISLATURE ON SB 42 (PROPOSITION 4)
(CHAPTER 245, STATUTES OF 2025)**

Senate:	Ayes 29	Noes 8
Assembly:	Ayes 59	Noes 20

ANALYSIS BY THE LEGISLATIVE ANALYST

BACKGROUND

The Political Reform Act. Many people, groups, and businesses spend money to support or oppose candidates for public office and ballot measures. California's Political Reform Act sets rules for how money can be used in politics and requires public reporting of political spending. These rules apply to state and local candidates, ballot measures, and other public officials, but not to federal candidates or officials. (Federal law establishes campaign finance and reporting requirements for federal offices.) The Political Reform Act has been updated by voters over the years.

Ban on Public Funds to Pay for Campaigns. The Political Reform Act bans the use of public funds for political candidates' campaigns. This ban applies to most elected offices at the

state level and local level. (This ban does not apply to city office elections in certain charter cities. Los Angeles, San Francisco, Long Beach, Oakland, and Berkeley are current examples of charter cities that provide public funds to certain campaigns.)

Entities That Oversee Campaign Finance Laws. California's campaign finance laws are administered by the Fair Political Practices Commission and the California Secretary of State. State law requires people and groups to report how much money they give, receive, and spend on political campaigns. This information is available to the public on the Secretary of State's website. The Fair Political Practices Commission enforces and interprets the Political Reform Act. The Fair Political Practices Commission reviews the finance reports and can fine candidates and donors who break the law. The Fair Political

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

Practices Commission issues guidance based on its interpretation of the Political Reform Act.

PROPOSAL

Lifts Ban on Use of Public Funds to Pay for Candidates' Campaigns. Proposition 4 lifts the ban on using public funds for political candidates' campaigns. Removing the ban allows state and local governments to create public campaign financing programs in the future if they wish. Proposition 4 does not create a public campaign finance system for the state or local governments directly.

Sets Rules for Future State and Local Public Campaign Finance Programs. Proposition 4 sets broad rules for future state and local public campaign finance programs but leaves many key design decisions to future state and local decision makers. Proposition 4 limits which public funds can be used for campaigns, who can receive the funds, and how the funds can be spent in any future public campaign finance program. For example, money meant for education, transportation, or public safety cannot be used for campaigns. Candidates can only receive public funds if they show broad-based support in their district and agree to spending limits and other program rules. Public funds cannot be used for legal defense fees or fines, or to repay a candidate's personal campaign loan. State and local governments can design and implement their own programs within the broad rules set by Proposition 4.

Fair Political Practices Commission Would Issue Guidance on Public Campaign Finance Programs. Proposition 4 specifies that the Fair Political Practices Commission is not required to administer or enforce local public campaign finance programs. Rather, state and local government officials could ask the Fair Political Practices Commission for guidance on how to create public campaign finance programs consistent with Proposition 4.

FISCAL EFFECTS

Costs of Possible Public Campaign Finance Programs Depend on Future Decisions.

Proposition 4 does not create a public campaign finance program. However, it allows state and local governments to create such programs in the future. The cost of these programs could be significant for governments that choose to create them. The total cost would depend on which governments created such programs and how those programs were designed.

Minor State Costs to Support State and Local Governments Considering Public Campaign Finance Programs. If voters approve Proposition 4, state and local government officials likely would ask the Fair Political Practices Commission for guidance on creating public campaign finance programs under the Political Reform Act. This likely would require the Fair Political Practices Commission to hire more legal staff to help answer these questions. As a result, state costs would be a few hundred thousand dollars each year. This amount is much less than one-tenth of 1 percent (0.1 percent) of the state's total General Fund budget. (The General Fund is the account the state uses to pay for most public services, including education, health care, and prisons.)

Visit sos.ca.gov/campaign-lobbying/cal-access-resources/measure-contributions/2026-ballot-measure-contribution-totals for a list of committees primarily formed to support or oppose this measure.

Visit fppc.ca.gov/transparency/top-contributors.html to access the committee's top 10 contributors.

★ ARGUMENT IN FAVOR OF PROPOSITION 4 ★

YES ON PROPOSITION 4, THE CALIFORNIA FAIR ELECTIONS ACT: ELECTIONS SHOULD BE WON, NOT BOUGHT

The amount of money in California elections is outrageous; it's distorting our democracy. Since 2020, more than \$1 billion has been spent on California state candidate races alone. This massive spending gives special interests greater access and influence while drowning out the voices of ordinary Californians.

PROP. 4 HELPS QUALIFIED CANDIDATES COMPETE

Running for office today often requires either personal wealth or access to wealthy donors. Deep pockets have become an unofficial requirement to run for office, leaving too many qualified candidates behind.

PROP. 4 CHANGES THE WAY WE FINANCE ELECTION CAMPAIGNS

Programs like small-dollar donation matching help candidates compete without relying on wealthy donors. However, most California communities are banned from using these tools, allowing the influence of big money to grow.

Proposition 4 lifts that ban, giving voters and local governments the option to adopt public financing with strict safeguards so qualified candidates—regardless of their income—can compete against candidates who are backed by wealthy interests.

PROP. 4 BUILDS ON A PROVEN MODEL

We know this reform works because it's working in other states. Thousands of candidates from different backgrounds have been elected in fourteen states and 26 localities using similar systems. They are new people with good ideas from all walks of life. Because they don't rely on wealthy donors, they can speak their mind and work for the people, not the special interests.

PROP. 4 GIVES LOCAL COMMUNITIES A CHOICE

Proposition 4 does not create a public financing program. It simply gives local governments the option to adopt one if

they choose.

If a community does, the cost is as little as \$1 per resident each year—a small investment to help counter the billions spent influencing California's elections.

PROP. 4 PROTECTS TAXPAYERS

Taxpayer Safeguards:

- Requires candidates to meet strict eligibility criteria and abide by spending limits to qualify for public funds.
- Prohibits public funding from favoring incumbents or discriminating based on political party.
- Prohibits the use of public funds for legal defense or fines.

PROP. 4 CRACKS DOWN ON ILLEGAL FOREIGN MONEY

Proposition 4 triples the maximum fines for illegal foreign campaign contributions and expenditures, strengthening penalties for those who attempt to interfere in California's elections.

PROP. 4 IS SUPPORTED BY LEADERS ACROSS CALIFORNIA

Proposition 4 is backed by a broad coalition including League of Women Voters of California, California Nurses Association, Mental Health Advocacy Services, Social Security Works, California Clean Money Campaign, California Common Cause, California National Organization for Women, Californians for Disability Rights, Consumer Watchdog, Courage California, Democracy for America, Indivisible California: Statestrong, La Defensa, Money Out Voters In, Voters Right to Know, and many others.

PROP. 4 GIVES CALIFORNIANS THE OPPORTUNITY TO RECLAIM THEIR ELECTIONS and ensure they reflect the values of the people, not just the wealthiest donors.

YES ON 4—Restore power to voters, not wealthy donors

Lorrel Plimier, Co-President

League of Women Voters of California

Catherine Kennedy, President

California Nurses Association

Tom Umberg, California State Senator

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 4 ★

Here is what the politicians supporting Proposition 4 do not tell you:

Proposition 4 **REPEALS** the voter-approved law that **PROHIBITS** candidates from using taxpayer money to run for office.

Proposition 4 has **NO LIMIT** on the number of candidates who can get taxpayer money. In the election last June, more than 60 candidates ran for Governor. Proposition 4 would allow thousands of candidates to get taxpayer money!

Proposition 4 has **NO LIMIT** on how much taxpayer money a candidate can get. Proposition 4 opens the door to taxpayer-funded campaigns but provides no limits on how much taxpayer money a candidate can get and **NO LIMIT** on spending. It will lead to more negative ads, more junk mail, and more annoying text messages.

Proposition 4 does **NOT PROHIBIT SPECIAL INTEREST MONEY** in campaigns. Proposition 4 **ALLOWS** candidates to get taxpayer money **AND** to get special interest money!

Where exactly is the money going to come from to fund thousands of political campaigns? Proposition 4 does

not say. But you know the answer. It is coming from **YOU**, the taxpayers! Less money for schools, less money for public safety, less money for healthcare. More money for politicians.

Proposition 4 is a **BLANK CHECK**. It is based on false promises and failed solutions.

Proposition 4 does **NOT** protect taxpayers. That is why Proposition 4 is opposed by California's leading taxpayer organizations.

Proposition 4 does **NOT** provide for "fair elections." That is why Proposition 4 is opposed by former Commissioners of the Fair Political Practices Commission.

Vote **NO ON PROPOSITION 4**.

Robert Gutierrez, President

California Taxpayers Association

Jon Coupal, President

Howard Jarvis Taxpayers Association

Dan Schnur, Former Chair

Fair Political Practices Commission

★ ARGUMENT AGAINST PROPOSITION 4 ★

Why did Sacramento politicians put Proposition 4 on the ballot? They want access to YOUR TAXPAYER MONEY to fund THEIR OWN CAMPAIGNS.

Proposition 4 repeals a voter approved law that PROHIBITS these politicians from using public taxpayer funds for their own campaigns. That's right, Proposition 4 allows politicians to use your taxpayer money to fund their campaigns.

Proposition 4 has NO LIMIT on the number of candidates who can get taxpayer money and NO LIMIT on how much money they can get! Proposition 4 is a BLANK CHECK.

There isn't even a limit on how much they can spend on their campaigns! More negative ads. More junk mail. More annoying text messages. More, more, more.

Proposition 4 is so poorly written, it could allow every state or local "candidate" to get public funding. They don't even have to actually qualify for the ballot to get taxpayer money. Proposition 4 allows for public funding of thousands of state and local candidates. It even allows for public financing of candidates for county political party committees.

In just the last primary election, there were more than 60 candidates for Governor. Do you want YOUR TAXPAYER MONEY going to support more of their negative campaign ads and junk mail?

Proposition 4 has NO LIMIT on how much taxpayer money a candidate can receive. It says it requires "strict criteria" to receive taxpayer funds but provides NO DETAILS on what the criteria are! Read the fine print:

"'Strict criteria' means the requirement set by statute, ordinance, or charter that candidates must meet to receive public funds."

But there is no current statute, ordinance or charter setting any criteria. Guess who will be setting the criteria? The same politicians who want to get your taxpayer money!

Some good government groups support public financing of campaigns because they want to get special interest money out of politics. BUT PROPOSITION 4 DOES NOT GET RID OF SPECIAL INTEREST MONEY! Under Proposition 4, candidates can raise money from special interests AND get public funding too.

Proposition 4 is the worst kind of public financing scheme. It provides no specifics. It leaves all the details to be worked out by the same politicians who want to get access to public funds.

It is a blank check. But worse than that, Proposition 4 allows special-interest funding of political campaigns.

Please join California's leading taxpayer protection organizations, including the California Taxpayers Association, the Howard Jarvis Taxpayers Association, the Family Business Association of California, United Latinos Action, as well as former members of California's Fair Political Practices Commission, who all oppose Proposition 4.

PLEASE VOTE NO ON THE POLITICIANS' BLANK CHECK PROPOSITION. VOTE NO ON PROP. 4.

Dan Schnur, Former Chair
Fair Political Practices Commission

Colleen McAndrews, Former Commissioner
Fair Political Practices Commission

Julian Canete, President
California Hispanic Chambers of Commerce

4

★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 4 ★

DON'T BE MISLED BY SPECIAL INTERESTS WHO WANT TO KEEP BUYING ELECTIONS

California is the ONLY state that bans public funding of campaigns. Communities in all 49 other states have the right to adopt public financing to allow qualified candidates to compete against wealthy donors. California doesn't. Prop. 4 simply removes that ban and gives local voters the same choice everyone else has, while instituting strict taxpayer safeguards.

PROP. 4 GIVES POWER BACK TO LOCAL COMMUNITIES AND EMPOWERS VOTERS, NOT DONORS

Prop. 4 doesn't spend a single taxpayer dollar or institute public financing anywhere. It simply removes the ban to give every city, county, and the state the right to adopt public funding if local voters want it. The details are appropriately left to each community. But any system MUST require candidates to abide by spending limits and demonstrate broad-based support in their district to qualify.

PROP. 4 MAKES ELECTED OFFICIALS ACCOUNTABLE TO VOTERS, NOT DONORS

Corporate special interests oppose Prop. 4 because public financing allows candidates to run and win without relying on them—threatening their grip on California elections.

Thousands of candidates from different backgrounds have been elected across the country using public financing, for a tiny cost. Because they don't rely on wealthy donors, they can speak their minds and work for the people, not special interests.

DON'T BE FOOLED BY CORPORATE SPECIAL INTERESTS HIDING BEHIND NICE-SOUNDING NAMES.

VOTE YES ON 4 to let local voters and communities reclaim their elections so they're won, not bought.

Carmen Balber, Executive Director
Consumer Watchdog

Camerina Davidson, President
California National Organization for Women

Darius Kemp, Executive Director
California Common Cause

PROPOSITION
5 **CHANGES RECALL ELECTION PROCESS FOR STATEWIDE OFFICERS.**
LEGISLATIVE CONSTITUTIONAL AMENDMENT.

OFFICIAL TITLE AND SUMMARY

PREPARED BY THE ATTORNEY GENERAL

The text of this measure can be found on page 118 and the Secretary of State’s website at voterguide.sos.ca.gov.

- Under current law, voters decide at the same election whether (1) to recall a state officer, and (2) who will replace that officer if recalled.
- Under this measure:
 - if the Governor is recalled, the Lieutenant Governor becomes Governor for the remainder of the term or until a successor is elected;
 - for all other recalled officers, the office will remain vacant until filled by a subsequent special election or appointment as specified in existing law; and

- a recalled officer may be a candidate in a special election to fill the office.

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

- Net fiscal effect unknown. Possible state and local government savings or costs of millions of dollars to administer recall elections. These costs or savings would be rare, and depend on the office recalled and how often recalls occur.

FINAL VOTES CAST BY THE LEGISLATURE ON SCA 1 (PROPOSITION 5)
(CHAPTER 204, STATUTES OF 2024)

Senate:	Ayes 32	Noes 8
Assembly:	Ayes 59	Noes 17

ANALYSIS BY THE LEGISLATIVE ANALYST

BACKGROUND

Election of State Officials. The State Constitution establishes legislative, executive, and judicial state offices. Some state officials represent parts of the state, known as districts. Other state officials, like the Governor or Attorney General, represent the entire state. Voters elect people to represent them in state offices for set terms. For example, a state Assembly Member is elected to a two-year term and the Governor is elected to a four-year term. To run for a state office, candidates

must submit specific nomination documents before the election. State law sets when this “nomination period” occurs.

Recall of State Officials. The State Constitution allows voters to remove state officials from office before their term ends through a recall. A recall is an election in which voters are asked whether to remove an official from office. To qualify a recall for the ballot, supporters of the recall must collect a certain number of signatures from the official’s district (or statewide

ANALYSIS BY THE LEGISLATIVE ANALYST

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for statewide offices). Since 1913, 11 state recall efforts have qualified for the ballot (nine legislators and two Governors) and six have resulted in an official's removal from office (five legislators and one Governor).

Two Questions in Recall Elections.

In a recall election, voters are asked two questions: (1) whether the official should be removed from office and (2) who should replace the official if removed from office. The number of candidates appearing in the second question varies. For example, there were 135 candidates in the 2003 Governor recall election and 46 candidates in the 2021 Governor recall election. If a state official is recalled, the person who receives the most votes in the second question assumes the office.

Vacant State Offices. State officials may leave office before the end of their term for reasons other than a recall. For example, they may die or resign. When this happens, the office becomes vacant. The process to fill a vacant office varies by office. Typically, a vacant seat in the Assembly or Senate is filled through a special election called by the Governor. The Lieutenant Governor serves as Governor when there is a vacancy in the office of the Governor. Vacancies in other executive offices (for example, the Lieutenant Governor or Attorney General) and the

Supreme Court and Courts of Appeal are filled by appointments by the Governor.

Frequency of Elections. Statewide elections in California are scheduled every two years. In scheduled election years, a primary election is held in either March or June, depending on the year, and a general election is held in November. In addition to scheduled elections, the state and local governments may call special elections to address specific issues. For example, the Governor may call a special election to fill a vacant Assembly seat.

Elections Administration in California. County elections officials administer most elections in California. As part of this work, they print and mail ballots and other voting materials to registered voters. Some state agencies also have election-related workload. For example, the Secretary of State oversees elections across the state and prepares and mails the state *Voter Information Guide*.

Paying for State Recall Elections. State law requires the California Department of Finance to work with state and local elections officials to estimate the cost of a recall election for a state office. The department is required to send the estimate to the Legislature. The Legislature reviews the estimate and may provide funding for the election. Any remaining costs are paid by the

ANALYSIS BY THE LEGISLATIVE ANALYST

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Secretary of State's and counties' budgets.

PROPOSAL

As described below, Proposition 5 changes the recall process to make it like the existing process for filling vacant state offices, except for the process to recall the Governor.

Removes Second Question From Recall Elections. Proposition 5 removes the second question—who should replace a recalled official—from a recall election. This means, in future recall elections, voters would only decide whether to remove an elected official from a state office, not who would replace the official.

Specifies Steps for Filling Vacant Offices. If a state official is recalled, Proposition 5 makes the office of the recalled official vacant. Except for the office of the Governor, Proposition 5 uses the existing process for filling vacancies to fill the office. In the case of an office in the state Senate or Assembly, this means that a replacement typically would be elected through a separate special election. The Governor would choose who would fill a vacancy in any other office (other than office of the Governor).

Creates Separate Process for Filling the Office of the Governor. The process for filling the office of the Governor depends on when the recall occurs.

If the Governor is recalled before the close of the nomination period for the next statewide election during the first two years of the term, Proposition 5 says that the Lieutenant Governor serves as Governor until voters elect a new Governor at a future statewide election. If the Governor is recalled later in the term, the Lieutenant Governor serves as Governor for the rest of the term.

FISCAL EFFECTS

Fiscal Effects Depend on Frequency of Recalls and the Offices Recalled.

Whether there would be costs or savings compared with today depends on the frequency of future recalls and the offices recalled. A recall of a statewide office (for example, Lieutenant Governor) would affect state elections officials and local elections officials in all 58 counties. A recall of a district-based office (for example, a state Senator or Assembly Member) would only affect state elections officials and local elections officials in those districts.

Potential Costs. Proposition 5 could result in higher costs associated with future recall elections if a special election is necessary to fill the vacant office after a recall. For example, a legislative office made vacant after a recall typically would be filled through a special election. If that special election

ANALYSIS BY THE LEGISLATIVE ANALYST

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could not be consolidated with a scheduled election, elections officials would need to run a standalone special election. The cost to state and local elections officials to administer such a special election could be millions of dollars per election.

Potential Savings. Proposition 5 could result in lower costs by removing the second question from the ballot. These savings would occur when a Governor is recalled in the latter part of the term and for other offices where vacancies are filled by appointment. There would be savings because ballots and voting materials would no longer include information about replacement candidates. The amount of savings would depend on how many candidates there would have been on the ballot if the second question remained but could be millions of dollars per election.

Net Effect Depends on Circumstances of Future Recall Efforts. The net fiscal effect is unknown because it depends on future recall elections.

Proposition 5 could lead to **savings or costs potentially in the range of millions of dollars** to administer recall elections. How these savings or costs would be shared by state and county governments would depend on future decisions by the Legislature. This net fiscal effect represents less than one-tenth of 1 percent (0.1 percent) of the state's total General Fund budget. (The General Fund is the account the state uses to pay for most public services, including education, health care, and prisons.)

Visit sos.ca.gov/campaign-lobbying/cal-access-resources/measure-contributions/2026-ballot-measure-contribution-totals for a list of committees primarily formed to support or oppose this measure.

Visit fppc.ca.gov/transparency/top-contributors.html to access the committee's top 10 contributors.

★ ARGUMENT IN FAVOR OF PROPOSITION 5 ★

California's recall process should protect our democracy by allowing for the removal of an elected official who is corrupt or abusing their power. It should never be used as a tactic to 'redo' an election as a political or partisan scheme. Proposition 5 will restore the recall to its original purpose by making it fair, democratic, and accountable to the will of the majority.

Under current law, a statewide recall ballot asks voters two questions in sequence:

(1) Should the official be recalled? (2) If so, who should replace them?

By being connected, these two questions create a dangerous loophole. An elected official can be removed by a narrow majority. Then, a candidate listed in question #2 can win the office with far less than 50% of the votes cast in the election. This encourages political actors to target officials they couldn't defeat in a regular election and to install replacements who lack broad public support.

We saw this play out in the 2021 gubernatorial recall. Voters rejected it decisively. The recall lost by nearly the same number of votes that the Governor won the regular election with. But California taxpayers were forced to spend more than \$200 million on an election whose outcome simply reconfirmed what voters had already decided. Nearly 70% of California likely voters called the effort a waste of taxpayer money. And had the recall succeeded, the leading replacement candidate would have taken office with support from only about 28% of all recall voters.

Proposition 5 makes a single, commonsense change: *it removes the second question from the recall ballot.*

Under Prop. 5, in a state-level recall, voters would decide one very simple and important question: whether an officeholder should be removed. If a majority votes yes,

that office becomes vacant and is filled under existing vacancy rules. If a Governor is recalled, the Lieutenant Governor would become Governor and if the recall occurs early enough, voters would elect a replacement at the next statewide election; other statewide officers would be filled by appointment under existing rules; legislative seats by special election. No shortcuts, no loopholes, and no replacement candidate winning office without majority voter support.

In most states with recalls, vacancies are already filled by succession or a separate election, not a same-day replacement contest.

By eliminating the second question, Proposition 5 removes the incentive and ability to weaponize recalls as a shortcut for partisan advantage. Recalls could not be gamed to overturn the results of regular elections or install candidates who couldn't win under normal conditions.

The framers of our recall process intended to safeguard voters against corrupt and unaccountable officials, not to provide a weapon for political operators to undo election results they don't like. Proposition 5 preserves the recall as a tool for accountability while preventing it from being used to sidestep regular elections and majority rule.

Vote YES on Proposition 5 to protect majority rule, defend taxpayers, and restore California's recall process back to the voters it was designed to serve.

Lorrel Plimier, Co-President

League of Women Voters of California

Darius L. Kemp, MPA, Executive Director

California Common Cause

Dan Schnur, Former Chair

California Fair Political Practices Commission

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 5 ★

Disregard the mental gymnastics the other side is doing here to tie us in knots and try to make sense of the truly nonsensical.

They say Proposition 5 "protects democracy." It does the opposite—it erodes one of the fundamental elements of our recall process: to choose who replaces the recalled politician.

That's not protecting democracy—that's protecting political elites.

They call California's system a "dangerous loophole." It's worked for 100 years, ousting politicians who abuse their office and replacing them with whoever the voters decide will do better.

Proposition 5 would create a loophole, not close one.

The other side is gaslighting you. They think you won't notice. Don't be fooled.

If it ain't broke, don't fix it. Our recall process is only 'broke' for those who find themselves on the business end

of it, like Proposition 5's author did when he raised taxes after breaking campaign promises.

Now, he wants to burn it down on his way out the door—making future recalls less effective and keeping politicians like him less accountable.

If you traded in your car, would you want to know what you were getting in return—or would you be happy to sign it away and let the salesman stick you in a jalopy of their choosing after you've already committed? That's what Proposition 5 asks you to do.

Our recall system will continue to work just fine, if we don't let political elites with sour grapes tinker with it to their benefit.

Vote NO!

Brian W. Jones, Senate Minority Leader

Joe Patterson, Assemblymember

★ ARGUMENT AGAINST PROPOSITION 5 ★

Proposition 5 will take away your voice and erode your ability to remove and replace failed or corrupt politicians from office.

California politicians already have too much power. Proposition 5 gives them even more—and it does it by taking power away from you, the voters.

For over 100 years, California's recall process has given us the ability to remove elected officials who abuse their office, break promises or fail to do the job they were elected to do. And, when that happens, the current process allows you—not politicians—to choose who replaces them.

Proposition 5 changes that system forever and takes power away from the people.

Today, a recall election asks two simple questions: Should the elected official be removed from office? If so, who should replace them? That means Californians can remove a failed politician and immediately choose someone new to take their place.

Proposition 5 keeps the first part but eliminates your ability to vote for a replacement.

Instead, Sacramento political insiders would decide what happens next. In many cases, politicians themselves—not voters—would choose who fills the vacancy, essentially allowing them to appoint another one of their friends or political allies to replace the one you just ousted.

In other cases, rather than an immediate replacement, the seat would sit vacant until another costly election—funded by you, the taxpayer—was scheduled months later. And here's the kicker; that failed politician you just ran out the door for failure or corruption, they'd be allowed to run in that next election to regain control of the seat they just lost.

In either case, your vote matters less, and the political establishment gains more control.

Californians deserve the right to remove an elected official—and to choose who comes next. Proposition 5 takes away half of that right, and that's wrong.

Supporters claim this measure improves democracy. It doesn't. Democracy means voters—not Sacramento politicians—get to choose their leaders, when to give them the boot and who to replace them with. Proposition 5 undermines that fundamental concept.

Ask yourself: if you vote to remove a governor or another statewide elected official, shouldn't you also decide who replaces them?

The answer is clear.

It's also worth wondering why this measure is on the ballot in the first place. Why fix a system that isn't broken and has been working just fine for over a century?

Well, the author of this proposal himself was recalled by California voters when he voted to raise gas taxes after promising not to. Instead of respecting the will of the people, he now wants to rewrite the rules and protect politicians like him from any meaningful accountability.

California's recall belongs to the people—not politicians. Protect your voice. Protect your vote. Protect your right to hold elected officials accountable.

Vote NO on Proposition 5.

Brian W. Jones, Senate Minority Leader
Joe Patterson, Assemblymember

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★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 5 ★

Don't be misled. Proposition 5 preserves your power to recall an official by majority vote while closing the loophole that allows a replacement candidate to take office with a small fraction of the vote.

Under current law, voters decide whether to remove an official by majority vote, but the replacement can win with far less than a majority. In 2021, a replacement candidate could have become Governor with support from 28% of recall voters. That is not majority rule.

Opponents want you to believe Proposition 5 takes away your right to choose. It does not. The real question is whether someone should become Governor with support from only a small fraction of California voters.

Proposition 5 preserves the recall while separating the decision to remove an officeholder from the decision about who should serve next. If a Governor is recalled, the Lieutenant Governor—elected statewide by California voters—provides continuity of government until voters

choose the next Governor through a regular election.

Voters will still choose their elected officials. But candidates seeking statewide office should earn that office in a regular election based on their qualifications, record, and plans for California, not use a recall as a shortcut to power.

A recall should decide whether an officeholder remains in office. Choosing who governs should happen in a regular election, where candidates earn the support of California voters. Proposition 5 protects the recall, respects majority rule, and ensures candidates run on their own merits. Vote YES on Proposition 5.

Lorrel Plimier, Co-President
League of Women Voters of California
Darius L. Kemp, MPA, Executive Director
California Common Cause

PROPOSITION
37 CREATES LOAN PROGRAM FOR MIDDLE-INCOME BUYERS
OF QUALIFIED NEW HOMES. INITIATIVE STATUTE.

OFFICIAL TITLE AND SUMMARY

PREPARED BY THE ATTORNEY GENERAL

The text of this measure can be found on page 118 and the Secretary of State’s website at voterguide.sos.ca.gov.

- Authorizes up to \$25 billion in bonds to offer eligible buyers fixed-rate mortgages for up to 17% of the purchase price of a “qualified new home” (new construction or first sale of converted nonresidential property, priced below about \$1 million–\$1.5 million, depending on county, adjusted annually).
- Borrowers must be California residents for one year, occupy the home, earn less than twice the area’s median income, and pay at least 3% down.
- Requires that bonds be repaid by homeowners’ mortgage payments, not the State.

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

- No direct state or local costs.

ANALYSIS BY THE LEGISLATIVE ANALYST

BACKGROUND

State Revenue Bonds. Bonds are a way that governments borrow money, most commonly for public projects such as schools or bridges. The state sells bonds to investors to receive up-front funding for these projects. Over time, investors are repaid with interest. The state sells two main types of bonds: general obligation bonds and revenue bonds. The state usually repays general obligation bonds using the state General Fund. (The General Fund is the account the state uses to pay for most public services, including education, health care, and prisons.) In contrast, revenue bonds are repaid using revenue from fees or other payments by the users of the project (such as from bridge tolls).

Some People Seek Down Payment Assistance. When purchasing a home, most people pay some of the cost up front—typically 3 percent to 20 percent of the home price. The up-front payment is known as a down payment. If people cannot afford the down payment, there are

different government programs available to provide down payment assistance to eligible homebuyers. To cover the remaining cost of the home, homebuyers get a loan, called a mortgage. Homebuyers then pay off the mortgage by making monthly payments that include interest.

California Housing Finance Agency (CalHFA). CalHFA is a state entity that administers programs designed to help low- and moderate-income Californians afford housing. CalHFA has a few programs that provide down payment assistance to homebuyers. The down payment assistance programs are loans that must be repaid under certain terms and conditions.

Construction Defect Law. To try to prevent construction defects, state law sets minimum standards that builders must follow for new residential construction. Current law also establishes a process that homeowners and housing builders must follow before a homeowner is able to sue a builder for alleged violations of those minimum standards. For example,

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

the homeowner must provide notice to the builder that includes certain information concerning a claim of construction defect.

PROPOSAL

Revenue Bond to Pay for a New Down Payment Assistance Program.

Proposition 37 allows CalHFA to sell up to \$25 billion in revenue bonds. CalHFA would use the bond funds to create a down payment assistance program called the “middle-class homeownership loan.” Each loan would cover up to 17 percent of the home price. (Homebuyers would need to provide a down payment of at least 3 percent of the home price.) Homeowners’ monthly payments on their loan would be designed to repay the bonds over time and cover the program’s administrative costs. CalHFA also would be required to keep interest costs for homebuyers as low as possible. CalHFA would decide how much of the bonds to issue (up to \$25 billion) and over what time period.

Buyers and Homes Must Meet Certain Requirements. To participate in a middle-class homeownership loan, people and homes would need to meet certain requirements. For example, an applicant would need to be a resident of the state and have a household income no more than double the typical income level in their area. For a home to be eligible for purchase through the program, among other requirements, the buyer would need to be the first purchaser of the home and the price could not exceed certain limits.

Housing Developer Options. Under Proposition 37, all developers could build homes eligible for purchase under the

program. Developers also could choose to participate in a “qualified builder option.” Developers that chose this option would be required to meet higher labor standards, such as using workers with a certain type of training for certain types of housing projects. In exchange, developers would be subject to different construction defect rules, which generally aim to provide more flexibility to developers.

FISCAL EFFECTS

No Direct State or Local Costs. Because Proposition 37 uses the payments from homebuyers to repay bond investors, it would not result in direct state or local costs.

Other Potential Effects. A number of factors, which are unknown at this time, could affect Proposition 37’s scope and impact. These include (1) the extent to which investors want to buy the bond, (2) how much the loans available under this proposed program cost homebuyers compared with other down payment assistance options, and (3) whether the program results in increased home construction and homebuying.

Visit sos.ca.gov/campaign-lobbying/cal-access-resources/measure-contributions/2026-ballot-measure-contribution-totals for a list of committees primarily formed to support or oppose this measure.

Visit fppc.ca.gov/transparency/top-contributors.html to access the committee’s top 10 contributors.

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★ ARGUMENT IN FAVOR OF PROPOSITION 37 ★

VOTE YES ON PROPOSITION 37: the California Middle-Class Homeownership & Family Home Construction Act. Proposition 37 creates affordable homeownership opportunities for working and middle-class Californians and encourages new home construction—with ZERO COST TO TAXPAYERS.

California has the second-worst homeownership rate in the nation; rising costs push homeownership further out of reach every year.

With the statewide median home price now exceeding \$930,000, a traditional 20% down payment can require saving over \$186,000 just to get in the door.

Teachers, nurses, veterans, and firefighters work hard and pay their bills. They can afford monthly mortgage payments but are locked out of homeownership in the communities where they live and work because down payment requirements are too high.

Proposition 37 gives working and middle-class Californians a fair shot at homeownership.

KEEPING HOMEOWNERSHIP WITHIN REACH.

Prop. 37 is a practical solution. It makes consumer-friendly, low-interest downpayment assistance loans available to qualified California residents for purchasing a newly built home, with no cost to taxpayers.

This is not a handout. Homebuyers must qualify for a mortgage, meet income requirements, pay at least 3% down, occupy the home as their primary residence, make monthly payments, and fully repay their loans.

Prop. 37 is designed for renters, first-time homebuyers, and working families who earn too much to qualify for renter assistance programs, but not enough to save the massive down payment required to buy a home.

“Proposition 37 will boost homeownership without burdening taxpayers. As a state revenue bond, downpayment assistance loans are funded by private bond investors and repaid by home borrowers, not taxpayers.”

—Malia Cohen, California State Controller

BUILDS MORE HOMES, CREATES GOOD JOBS.

California hasn’t built enough homes to keep up with demand. By helping qualified buyers purchase newly built homes, Prop. 37 will help accelerate construction, creating thousands of good-paying jobs and generating economic investment.

Expanding the housing supply helps workers and families to stay in California, build equity, raise their children, and live in the communities where they work.

ZERO COST TO TAXPAYERS.

Taxpayer advocates and California’s Legislative Analyst agree: Proposition 37 has no cost to taxpayers. Loans are funded by private bond investors and repaid by home borrowers—not taxpayers.

STRICT ACCOUNTABILITY AND CONSUMER PROTECTIONS.

Prop. 37 includes fiscal accountability and transparency requirements, construction accountability standards, and annual audits detailing the status of loans made and the fund’s financial condition.

Consumer benefits include below-market, fixed-rate loans, protections from unfair lending practices, strict limits on lender fees, and no penalty for early repayment.

BROAD, BIPARTISAN SUPPORT

Proposition 37 is supported by Democrats & Republicans, labor and businesses, construction workers, taxpayer and housing advocates, veterans, the California Teachers Association, and United Nurses Association of California.

For generations, homeownership provided stability, security, and a path to the middle class. But today, that path is simply out of reach for too many Californians.

Proposition 37 is a practical solution that tackles one of the biggest barriers to homeownership, without burdening taxpayers.

Vote YES to expand middle-class homeownership, build more homes, create good jobs, and give working Californians a fair chance to live, work, raise a family, and stay in California.

VoteYeson37.com

Danny Curtin, Director
California Conference of Carpenters

Fiona Ma, Boardmember
California Housing Finance Agency (CalHFA)

David West, Chair
California State Commanders Veterans Council

★ ARGUMENT AGAINST PROPOSITION 37 ★

NO ARGUMENT AGAINST PROPOSITION 37 WAS SUBMITTED.

37

PROPOSITION
38 AUTHORIZES BONDS FOR IMMUNOLOGY MEDICAL RESEARCH.
INITIATIVE STATUTE.

OFFICIAL TITLE AND SUMMARY

PREPARED BY THE ATTORNEY GENERAL

The text of this measure can be found on page 123 and the Secretary of State's website at voterguide.sos.ca.gov.

- Authorizes \$8.4 billion in state general obligation bonds for immunology and immunotherapy research (technologies that use body's immune system to treat disease), with half dedicated to cancer, heart disease, and Alzheimer's disease.
- Allocates funds equally between (1) a single University of California-affiliated nonprofit medical research institute, and (2) research grants for public or nonprofit universities and institutions.
- Requires funding recipients to sell technology and drugs derived from research in California for 20% below national average price.
- Appropriates money from General Fund to repay bonds; General Fund receives 10% of licensing royalties until bonds are repaid.

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

- Increased state cost of \$500 million to \$600 million annually for about 20 years to repay the medical research bond. The state could recover part or all of this cost in subsequent decades if the funded research leads to discoveries that generate revenue.

State Bond Cost Estimate

Amount Borrowed	\$8.4 billion
Average annual repayment cost	\$500 million to \$600 million annually for about 20 years
Source of repayment	General tax revenue and possible revenue from discoveries funded by the bond

ANALYSIS BY THE LEGISLATIVE ANALYST

BACKGROUND

Medical Research and Development (R&D) Is a Multi-Stage Process. The first stage of this process is basic research, which focuses on discovering new knowledge about how the human body works. The next stage is applied and clinical research, which aims to develop and test treatments for specific diseases. Universities do most of the basic research, while companies do most of the applied and clinical research. The third R&D stage is to have regulators review new treatments to make sure they are safe and effective. If a new treatment is approved, then it may be used on patients. Most R&D projects do not make it through all of these stages.

Medical R&D Is Funded in Various Ways. Funding for medical R&D in the United States totaled about \$300 billion in 2023. Companies and government agencies (such as the National Institutes of Health) are the major funding sources for R&D nationally and in California. Beyond these funding sources, California voters have approved two ballot measures—Proposition 71 (2004) and Proposition 14 (2020)—giving the state authority to issue general obligation

bonds to fund specified medical research. Combined, the two measures allowed the state to issue \$8.5 billion in bonds for stem cell research. Bonds are a way for the state to borrow money, then repay it with interest over time. A general obligation bond is typically repaid from the state General Fund. (The General Fund is the account the state uses to pay for most public services, including education, health care, and prisons.) For more information about bonds, see "Overview of State Bond Debt" later in this guide.

PROPOSAL

New Bond for Specified Medical Research.

Proposition 38 allows the state to issue an \$8.4 billion general obligation bond for research in immunology and immunotherapy. Immunology is the study of the body's immune system and how it protects the body from abnormal cells and other causes of disease. Immunotherapy develops treatments that help the immune system fight diseases more effectively. The measure requires that at least \$4.2 billion of the bond funds be used for immunology research on cancer, heart disease, and Alzheimer's disease. No more than

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

2 percent of total bond funds may be used for state administrative costs. Payments on the bond would come from the state General Fund.

Supports a Research Institute. About half of the bond funds would go to a research institute specializing in immunology and immunotherapy. The California Department of Public Health (CDPH) would select the institute. The selected institute must meet several criteria, including criteria related to its size, funding, and collaboration with a University of California (UC) campus. The institute would use the bond funds for research. Each year, the institute must issue a public report on its activities and have an independent financial audit.

Supports Research Grants. A council would give out the other half of bond funds as competitive research grants focused on immunology and immunotherapy. The council would consist of representatives from 7 UC campuses and 10 to 15 other universities and nonprofit research institutions in California. The council would set research priorities and select grant recipients from among its member organizations. Similar to the institute, the council would have public reporting and audit requirements.

Requires 10 Percent of Revenue From Discoveries First Be Used to Repay the State. Proposition 38 requires that the institute, in consultation with CDPH, try to generate the most revenue possible from the funded research. (Research, for example, could lead to the development of a new medical treatment.) Ten percent of any revenue generated must be given to the state. This revenue must first go into the state General Fund until it repays the cost of the research bond (the amount borrowed plus the interest). Any additional revenue would be used for future immunology and immunotherapy research.

Has Two Other Notable Provisions.

- **Requires Purchases From California Suppliers.** Grant recipients must buy at least half of their goods and services from California suppliers when reasonably possible.
- **Requires California Patient Discount.** Any treatment developed through funded research and sold in California must generally be offered at a 20 percent discount.

FISCAL EFFECTS

Increased State Cost of \$500 Million to \$600 Million Annually for About 20 Years to Repay the Bond. The state General Fund cost to repay the bond would be **\$500 million to \$600 million annually for about 20 years.** The annual cost would be about one-quarter of 1 percent (0.25 percent) of the state's total General Fund budget. Since the state has to pay interest on the money it borrows, the total cost of the bond would be about 10 percent more (after adjusting for inflation) than if the state paid up-front with money it already has.

Potential State Revenue From Research Discoveries. The state could receive revenue from research funded by Proposition 38. The amount of revenue is uncertain but could be significant. It would depend on how many research projects lead to marketable treatments and how much money any given treatment generates. The timing of these revenues and how long it would take to offset the state's bond cost is also uncertain, but could take decades.

Potential Indirect Fiscal Effects. Proposition 38 likely would have some indirect fiscal effects, particularly on costs for state health programs (such as Medi-Cal, which pays for health care for low-income Californians). For example, if the funded research leads to new medical treatments, the average cost of patient care could either increase or decrease. As a result, the overall effect on program costs is uncertain.

Visit sos.ca.gov/campaign-lobbying/cal-access-resources/measure-contributions/2026-ballot-measure-contribution-totals for a list of committees primarily formed to support or oppose this measure.

Visit fppc.ca.gov/transparency/top-contributors.html to access the committee's top 10 contributors.

38

★ ARGUMENT IN FAVOR OF PROPOSITION 38 ★

PATIENT ADVOCATES, DOCTORS, NURSES AND MEDICAL RESEARCHERS URGE YES ON PROP. 38

Leading patient advocates including the Alzheimer's Association, Michael J. Fox Foundation, American Nurses Association\California, ALS Association, National Multiple Sclerosis Society and Prostate Cancer Foundation all urge YES on PROP. 38 because it could save your life and the life of someone you love.

"I was just weeks away from losing my life when a breakthrough immunotherapy gave me a second chance. Vote YES on PROP. 38 because every family facing a devastating diagnosis deserves this same hope."

—Laurie Adami, Cancer Survivor and Patient Advocate, Los Angeles

YES ON PROP. 38—TO CURE AND PREVENT DISEASES THROUGH LIFE-SAVING IMMUNOLOGY RESEARCH

PROP. 38 accelerates development of breakthrough treatments and cures for the diseases that impact nearly every family. At least half of all funds are specifically dedicated to cancer, heart disease and Alzheimer's research.

"Immunology harnesses the body's immune system to detect and stop diseases. Today, breakthrough immunotherapies are already curing cancers like melanoma, lung cancer and leukemia. Promising research is underway to prevent diseases including Parkinson's, heart disease, diabetes and more."

—Mark Davis, Ph.D., Member of the National Academy of Sciences and the National Academy of Medicine

"One in nine people over 65 are living with Alzheimer's, but there are currently no effective cures. YES on PROP. 38 provides real promise to find treatments and cures for the millions of patients and their families living with Alzheimer's and dementia."

—Susan Disney Lord, Board Chair of Alzheimer's Los Angeles

HELPS OFFSET FEDERAL FUNDING CUTS TO MEDICAL RESEARCH

Massive federal funding cuts and uncertainty are disrupting vitally needed medical research at nonprofit research institutes and universities, delaying progress toward life-saving cures.

PROP. 38 creates a stable source of funding for breakthrough immunology research. All funds are dedicated exclusively to California-based nonprofit universities and research institutes—helping California lead the nation in medical innovation, fostering collaboration among top scientists and universities, and creating

tens of thousands of good-paying jobs.

"Immunotherapy is transforming the future of cancer care. PROP. 38 will help accelerate life-saving cures while strengthening California's role as a global leader in medical innovation."

—Gina Carithers, President and CEO, Prostate Cancer Foundation

LOWERS HEALTHCARE COSTS FOR CALIFORNIANS

Any cure or immunotherapy developed through PROP. 38 must be provided to California patients at a 20% DISCOUNT. Preventing and curing the most pressing diseases will also reduce long-term healthcare expenses and save the state and families tens of billions of dollars in avoided medical expenses.

STRONG ACCOUNTABILITY & TAXPAYER PROTECTIONS

PROP. 38 is designed to pay for itself WITH NO NET COST TO THE STATE OR TAXPAYERS. Ten percent of revenue from the licensing of successful immunotherapies must be returned to California to offset the costs of the bond, including interest. PROP. 38 also includes strict accountability requirements, including:

- 2% Cap on State Administrative Expenses
 - Public Disclosure of Spending
 - Independent Financial Audits
 - For-profit corporations are not eligible for grant funding
- YES ON PROP. 38: SUPPORTED BY DOCTORS, NURSES AND PATIENT ADVOCATES

• ALS Association • Alzheimer's Association • American Nurses Association\California • Blood Cancer United • California Colorectal Cancer Coalition • Liver Coalition • Michael J. Fox Foundation • National Multiple Sclerosis Society • Parkinson Association of Northern California ... and many more.

YES on PROP. 38 could save your life and someone you love. Please, vote Yes.

www.YesOn38.com

Susan Disney Lord, Board Chair
Alzheimer's Los Angeles

Eugene P. Brandon, Ph.D., Board of Trustees
ALS Association

Dr. Brian Shuch, M.D., Board of Directors Member
Kidney Cancer Association

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 38 ★

California should continue supporting biomedical research. Everyone hopes for new treatments for heart disease, cancer, Alzheimer's disease, and other serious illnesses. I do too. But Proposition 38 is the wrong way to achieve that goal.

The claim that Proposition 38 will pay for itself is speculative. Audits, public disclosure, and limits on administrative costs promote accountability, but they cannot guarantee that research investments will generate enough economic returns to offset billions of dollars in bond repayments.

California faces a continuing structural budget deficit. Proposition 38 would require approximately \$8.4 billion in bond repayments. According to the nonpartisan Legislative Analyst's Office, taxpayers would be committed to roughly \$500 million in annual debt payments for the next 25 years. That long-term obligation would further reduce the state's fiscal flexibility to respond to changing priorities.

Meanwhile, recent actions by the Trump administration have placed funding for essential California public health programs at risk, including disease surveillance, emergency preparedness, HIV prevention, vaccination infrastructure, laboratory capacity, and community prevention. These challenges extend well beyond biomedical research.

If California chooses to replace declining federal support, elected officials should be able to consider all health priorities together. Proposition 38 instead earmarks billions of borrowed dollars for one scientific field, regardless of future needs or discoveries. Research priorities should be guided through the normal budget process—not by ballot measures that lock taxpayers into decades of debt. Vote No on Proposition 38.

Robert M Kaplan, Ph.D.

★ ARGUMENT AGAINST PROPOSITION 38 ★

California recognizes that continued investment in science is essential. But this proposition is not the best way to achieve that goal.

The measure would authorize approximately \$8.4 billion in state borrowing to support immunology and immunotherapy research through a new University of California institute. Although the objective is appealing, the financing and policy framework are flawed.

First, the proposition continues the use of ballot initiatives to direct research funding toward selected topics. California has already created separate funding programs for stem cell research and precision medicine. This measure would add another highly focused program. Research priorities should be established through scientific review and public health planning—not by election campaigns. Cancer, Alzheimer’s disease, and heart disease deserve attention, but so do mental illness, kidney disease, eye diseases, and many other conditions. Ballot-box science inevitably favors the most visible topics rather than the greatest scientific opportunities or public health needs. Second, borrowing is an inappropriate way to finance scientific research. According to the Legislative Analyst’s Office, the bonds authorized by this measure would obligate taxpayers to \$500 million in annual debt payments for about 25 years. Bonds are commonly used for highways, schools, and other long-lived infrastructure with predictable benefits. Scientific research is different. Discoveries often require decades before they improve patient care, and many promising lines of investigation never produce marketable treatments.

Third, the proposition assumes that successful discoveries will generate revenues to offset state costs. In reality, universities rarely commercialize new therapies on their own. Publicly funded research lays the scientific foundation, but private companies typically invest the far greater resources required for product

development, clinical testing, manufacturing, and regulatory approval. The public benefits are real, but they generally do not flow back to the state treasury.

Finally, the proposition requires certain therapies developed with state support to be sold in California at discounted prices. While this may sound attractive, it could incentivize companies to prioritize selling these products in other states where the prices are not controlled.

California should continue to support biomedical research. But research funding should be strategic, flexible, and fiscally responsible. Decisions about scientific priorities should be based on expert evaluation of emerging scientific opportunities and public health needs, not on a series of expensive ballot measures financed through long-term debt.

California has better options. For example, Senator Scott Wiener has proposed creating a state-funded research agency modeled on the National Institutes of Health and the National Science Foundation. Rather than directing resources to specific areas of science, such an institution could establish priorities through expert scientific review and adapt its investments as new opportunities emerge. Although the legislation has not advanced, it received support from the University of California, the United Auto Workers, and the Union of American Physicians and Dentists. Similar legislation is likely to be considered in the future.

A “No” vote does not reject science. It rejects an inefficient financing mechanism and a fragmented approach to setting research priorities. California can and should support medical research through more coordinated, sustainable policies.

Robert M Kaplan, Ph.D.

38

★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 38 ★

YES ON PROP. 38 IS VITALLY NEEDED FOR LIFE-SAVING IMMUNOLOGY MEDICAL RESEARCH

Today, breakthrough immunotherapies are already curing cancers like melanoma, lung cancer and leukemia. Promising research is underway to cure and prevent diseases including Alzheimer’s, heart disease, Parkinson’s, ALS and more.

MASSIVE FEDERAL FUNDING CUTS ARE THREATENING PROGRESS TOWARD LIFE-SAVING CURES

YES on 38 will ensure California universities and nonprofit research institutions can continue vitally needed immunology research to cure and prevent the most debilitating diseases.

“Immunology saved my life—I now live cancer-free, and it could save millions of other lives too.”

—Andrew Dale, Immunotherapy Patient and Cancer Survivor

YES ON 38 IS DESIGNED TO PAY FOR ITSELF—WITH NO COST TO TAXPAYERS

Ten percent (10%) of revenue from licensing immunotherapies must be returned to California to offset bond costs. These requirements are locked into this measure.

YES ON 38 MANDATES STRONG ACCOUNTABILITY & TRANSPARENCY

- 2% Cap on State Administrative Expenses

- Public Disclosure of Spending
- Independent Financial Audits

YES ON 38 LOWERS HEALTHCARE COSTS

Immunotherapies developed through Prop. 38 must be provided to California patients at 20% discount. Preventing and curing diseases will also save families and the state billions of dollars in long-term healthcare expenses.

DOCTORS, NURSES AND PATIENT ADVOCATES URGE YES ON 38

- Alzheimer’s Association • American Nurses Association\California • ALS Association • Kidney Cancer Association • Melanoma Research Alliance • National Multiple Sclerosis Society • The Michael J. Fox Foundation for Parkinson’s Research ... and many more.

Support Life-Saving Cures. Please Vote YES on 38.

www.YESon38.com

Andrew Dale, Cancer Survivor
Santa Monica

Anne M. Holloway, Board Member
The Michael J. Fox Foundation for Parkinson’s Research

Chris Tarver, R.N., President
American Nurses Association\California

PROPOSITION
39 PROHIBITS CITIZENS FROM VOTING UNLESS THEY
PRESENT GOVERNMENT-ISSUED IDENTIFICATION.
INITIATIVE CONSTITUTIONAL AMENDMENT.

OFFICIAL TITLE AND SUMMARY

PREPARED BY THE ATTORNEY GENERAL

The text of this measure can be found on page 133 and the Secretary of State's website at voterguide.sos.ca.gov.

- Prohibits voting by mail unless voter designates a government-issued identification number for their voter registration.
- Invalidates mail ballots if envelope does not include last four digits of a government-issued identification number matching the number designated in the voter's registration (e.g., if voter designates Social Security number for registration, but provides driver's license number on envelope, their ballot would not count).
- Prohibits voting in person without presenting government-issued identification.
- Requires elections officials to annually report percentage of each county's voters whose citizenship status they have verified.

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

- State and local government costs of between tens of millions of dollars and low hundreds of millions of dollars each year to implement new voting requirements. Costs depend on future decisions by the Legislature, state departments, local governments, and voters.

ANALYSIS BY THE LEGISLATIVE ANALYST

BACKGROUND

Elections Administration. County elections officials administer most elections in California. As part of this work, they print and mail ballots and other voting materials to registered voters. Some state agencies also have workload related to voting. For example, the Secretary of State oversees elections across the state and prepares and mails the state *Voter Information Guide*.

United States Citizenship Required to Vote in Federal, State, and Almost All Local Elections. A person must

be a U.S. citizen to vote in any state or federal election. A noncitizen who votes in a state or federal election can be fined and/or sentenced to prison. A person must be a U.S. citizen to vote in the vast majority of local elections. (San Francisco and Oakland have a special process for people who are not U.S. citizens to vote only in school board elections if they are the parent, guardian, or legally recognized caregiver of a student in the school district.)

Voter Registration. In order to vote, people first must register with elections officials. People register to vote in

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

the county where they live. To be eligible to register, a person must be a U.S. citizen, live in California, be at least 18 years old, not currently be in prison, and not be found unable to vote by a court. A person who makes a false statement when attempting to register to vote in California, such as by falsely stating that they are a U.S. citizen, is guilty of the crime of perjury. People can register online through the Secretary of State's website, by mail, in person at a county elections office, or through the California Department of Motor Vehicles. A voter's identity is established through the registration process by using their driver's license number, state identification number, or last four digits of their Social Security number. Voters who do not provide this identifying information through the registration process may be asked to present identification the first time they vote.

Voter Rolls Maintenance. A voter roll is a list of people who are registered to vote. Elections officials are required to keep the voter rolls up to date by removing people who are no longer eligible to vote from the list. For example, elections officials receive regular updates from other government entities to identify people who have died or are in prison.

Voting. All registered voters in California receive a vote by mail (VBM)

ballot. Voters can mail their ballot, drop it off at a ballot drop-off location, or vote in person at a voting location. In the November 2024 Presidential Election, about 16 million people voted in California. About 13 million voted using a VBM ballot, and about 3 million voted in person.

Voter Identification. Voters identify themselves when they vote in California. If they vote in person, they typically identify themselves by signing a list of registered voters before voting. If they vote by mail, they identify themselves by signing the envelope of their ballot. Elections officials verify signatures for VBM ballots before counting them. Elections officials generally do not verify signatures from in-person voters before counting the ballots.

California State Auditor's Office (State Auditor). The State Auditor is an independent and nonpartisan office in state government. It reviews how well the state and local governments use money and run their programs. These reviews include performance audits to see if the government is following the law and working efficiently. The State Auditor may give recommendations to help improve government operations and efficiency. Some audits happen regularly, while others are done only once.

PROPOSAL

Requires State and Local Elections Officials to Verify U.S. Citizenship Status of Registered Voters.

Proposition 39 requires state and local elections officials to make “best efforts” using government data to verify that voters on the rolls are U.S. citizens. Proposition 39 requires elections officials to report every year the percentage of registered voters in each county whose citizenship status has been verified.

Requires Voters to Select Government-Issued Identification for Voting by Mail. Proposition 39 requires new and existing voters to select a government-issued identification in their voter registration to vote by mail.

Requires Voters to Provide Additional Identifying Information to Vote. Proposition 39 requires voters to provide additional identifying information each time they cast a ballot in any election in California. Elections officials would be required to verify voters’ identities before counting their ballots. The identification requirement would depend on whether a voter casts their ballot in person or by mail:

- ***In-Person Voting.*** When voting in person, Proposition 39 requires voters to present government-issued identification for identity verification.
- ***Voting by Mail.*** When voting by mail, Proposition 39 requires voters

to provide the last four digits of their selected government-issued identification number on the ballot envelope. Elections officials would verify that the identification numbers provided on the ballot envelope match the voter’s registration information.

Creates New State-Issued Voter Identification Card. Proposition 39 requires the state to provide a voter identification card at no cost to voters who request one. The voter identification card could be used as the government-issued identification that verifies a voter’s identity when voting.

Requires State Auditor to Audit State and County Election Compliance Regularly. In every odd-numbered year, Proposition 39 requires the State Auditor to report how well the state and each county comply with the measure and make recommendations for improvement.

Requires Legislative Action for Full Implementation. Proposition 39 requires the Legislature to pass additional laws to implement the measure. The Legislature would need to clarify several details that are not defined in the proposition, like which forms of identification could be used and what steps would be considered best efforts to verify the citizenship status of registered voters.

FISCAL EFFECTS

State and Local Costs Depend on Future Decisions. Proposition 39 would increase state and local government costs each year by **tens of millions of dollars to low hundreds of millions of dollars**. These costs represent less than one-quarter of 1 percent (0.25 percent) of the state’s total General Fund budget. (The General Fund is the account the state uses to pay for most public services, including education, health care, and prisons.) The exact cost would depend on future choices made by the Legislature, state departments, local governments, and voters. For example, the costs could vary depending on decisions around the design and requirements

of the voter identification card and the number of cards requested. There also could be some amount of savings. These savings would be due to fewer people registered to vote—for example, due to the removal of ineligible voters or eligible voters lacking government-issued identification. These savings likely would not exceed the costs of the measure.

Visit sos.ca.gov/campaign-lobbying/cal-access-resources/measure-contributions/2026-ballot-measure-contribution-totals for a list of committees primarily formed to support or oppose this measure.

Visit fppc.ca.gov/transparency/top-contributors.html to access the committee’s top 10 contributors.

★ ARGUMENT IN FAVOR OF PROPOSITION 39 ★

VOTER ID: A BIPARTISAN WAY TO INCREASE TRUST IN OUR ELECTIONS

Democratic, Independent, and Republican voters all agree on one thing: Voter ID is a common-sense reform to increase trust and participation in our elections.

That's why almost half the signatures to put Prop. 39 on the ballot came from Democratic and Independent voters and polls show widespread super-majority support across all political parties for Voter ID.

PROP. 39 KEEPS VOTING ACCESSIBLE AND GUARANTEES A FREE VOTER ID

Prop. 39 keeps mail ballots, extended polling hours and all other conveniences in place for voting accessibility.

Voters can use a variety of easily-obtained government IDs to vote—and this measure even guarantees every voter a FREE Voter ID if they want one.

California currently uses a slow process to check signatures on mail ballots that not only delays election results but also puts your vote at risk of not being counted if your signature is flagged as not matching. Many voters say they cannot always remember how they signed their name years ago when they first registered to vote. In the last election, more than 100,000 ballots were rejected due to signature mismatches—and more than 200,000 voters endured hassles just to get their vote to count.

VOTER ID INCREASES PARTICIPATION

Voter ID does not suppress voting—in fact it increases voter participation. Every state with Voter ID laws and free identification for eligible voters that cannot afford or access identification, has seen an increase in voting. Suppression and lower turnout happen when voters do not have trust and confidence in the integrity of the process. Voter ID gives all voters a reason to trust that their vote will matter.

PROP. 39 INCLUDES AUDITS AND CITIZENSHIP VERIFICATION

Prop. 39 holds election officials accountable for keeping California's voter lists accurate and updated. Election officials will also be required to check voter rolls to ensure only citizens are registered. Prop. 39 requires an independent audit be conducted every two years to give the public the confidence they deserve in the way our elections are conducted.

YES ON PROP. 39: FOR A NON-PARTISAN SOLUTION TO VOTER ID

Politicians and partisan organizations who oppose Prop. 39 are desperately trying to inject toxic partisanship into this debate. That's because they benefit from unfounded election conspiracy theories and rapidly declining trust in our elections.

In contrast, supporters of Prop. 39 include solid majorities of Democratic, Republican and Independent voters and a diverse coalition including Latino American Political Association, California Women's Leadership Association, Howard Jarvis Taxpayers Association, the Transparency Foundation, and trusted voting rights organizations.

Vote YES on Prop. 39 to create a national model for implementing Voter ID in a bipartisan way.

Margit Whitlock, Democratic Coalition Chair
Californians for Voter ID

Tafa Jefferson, Republican Coalition Chair
Californians for Voter ID

Joe Green, Independent Coalition Chair
Californians for Voter ID

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 39 ★

NO on PROP. 39—Stop Trump from rigging our elections. *Don't believe the lies.* Prop. 39 MAKES VOTING HARDER, MORE EXPENSIVE, AND LESS SAFE for Californians.

PROP. 39 IS FUNDED BY MAGA RIGHTWING BILLIONAIRES. Follow the money. MAGA billionaires have spent millions spreading election lies. Republican operatives have pushed this voter suppression agenda for years. They want Trump to have unlimited power so they get more tax breaks for the rich while cutting funding to healthcare and schools for the rest of us.

California election officials already verify voters. Prop. 39 just ADDS EXTRA HURDLES for citizens. THE FACTS DON'T LIE. When Texas tried this, they threw out 12 times more mail ballots than California.

Prop. 39 creates new threats of identity theft. No citizen should have to choose between their privacy and their right to vote.

The nonpartisan Legislative Analyst's Office found that Prop. 39 could COST HUNDREDS OF MILLIONS EACH

YEAR—read it for yourself. MAGA extremists want to use your taxpayer dollars to buy Trump an expensive gift: blocking eligible voters and giving the Big Lie a win in California. We won't fall for it.

PROP. 39 TRIES TO DISTRACT US from how Trump and his billionaire friends have failed Americans. Hospitals are closing. Fire victims are still waiting for help. Groceries and housing costs are more expensive than ever. Now they want to use Prop. 39 to control our elections and avoid accountability.

NO KINGS. NO LIES. NO PROP. 39.

Alex Padilla, U.S. Senator for California

Catherine Kennedy, President
California Nurses Association

Adam Weinberger, President
California School Employees Association

★ ARGUMENT AGAINST PROPOSITION 39 ★

VOTE NO. Donald Trump lies about elections and uses those lies to grab power.

STOP TRUMP'S POWER GRAB. Trump wants revenge on California—he has delayed LA wildfire relief, undone laws to keep our air and water clean, and constantly attacked our immigrant friends and neighbors. Now he wants to undo our freedoms and democracy with Prop. 39.

Trump's cronies want to rig California elections so they can seize and keep control of Congress and the White House. Trump will do whatever it takes to tear apart our right to vote, dodge accountability, and hold onto authoritarian power.

CALIFORNIANS WON'T FALL FOR IT. We have a chance to fight back and stop Trump by voting NO on Prop. 39. Don't let California become the next state where politicians pick which voters count.

WASTES HUNDREDS OF MILLIONS OF DOLLARS.

Trump and his accomplices want California to spend *hundreds of millions of dollars* to chase their election lies and conspiracy theories. Californians are struggling, and Trump wants YOU to pay for his conspiracies.

PUTS YOUR IDENTITY AT RISK. Prop. 39 will make every vote by mail voter include their personal details on their return envelope—making voters easy targets for identity theft. Voters would have to choose between voting and protecting their privacy.

BLOCKS CITIZENS FROM VOTING. Prop. 39 adds new hurdles—voters would have to include a personal ID number on their ballot envelope that has to exactly match state records. Get one digit wrong, and a valid ballot could get thrown out. If you don't take extra steps to tell officials which ID you want to use for voting—you may not get a mail ballot at all. And if the address on your ID is not up to date or your name is misspelled—your vote might be rejected.

PUSHES OUT VOTERS. “Free” state IDs aren't free: voters still pay for transportation, time off work, and costs like childcare or getting required documents. Seniors, students, low-income workers, voters of color, and the millions of women who changed their names at marriage are hit hardest. These unfair barriers help politicians choose their voters instead of the other way around.

TRUMP LIES TO GRAB POWER. DON'T LET THOSE LIES TAKE AWAY YOUR VOTE.

PROTECT YOUR VOICE. PROTECT YOUR VOTE. VOTE NO.

Learn more at CAforVotingRights.org

David Trujillo, Executive Director
ACLU California Action

Darius Kemp, California State Director
Common Cause

Lorrel Plimier, Co-President
League of Women Voters of California

39

★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 39 ★

PROP. 39 IS BIPARTISAN—NOT ABOUT DONALD TRUMP OR GAVIN NEWSOM

Prop. 39 gives California a bipartisan solution for election security. While politicians in D.C. fight over partisan control of elections, Californians can adopt our own solution: Voter ID. Opponents will claim this measure is about Donald Trump or Gavin Newsom. It isn't. Prop. 39 is a California solution to growing mistrust in our elections. Democrats, Republicans, and Nonpartisans encourage you to reject the big-money partisan allegations and vote yes on Prop. 39 to encourage voter participation *and* protect our elections.

PROP. 39 IMPROVES ELECTION MANAGEMENT

Prop. 39 improves the accuracy of our voter lists and requires independent audits to strengthen election management.

VOTER ID INCREASES TRUST IN ELECTIONS

States with voter ID laws have not seen decreases in voter participation. When voters trust elections, participation increases.

YES ON PROP. 39

Opponents will claim this is about national politics or that Voter ID suppresses voters. Don't be fooled. Prop. 39 is supported by Democrats, Republicans, and Nonpartisans, as well as men, women, young, and old—Californians across many communities.

If you believe California should strengthen trust in elections while keeping voting accessible for eligible voters, vote YES on Prop. 39 for a clean, bipartisan California solution.

Johnathan Hale, Executive Director
The Transparency Foundation

Cynthia Kai, Executive Director
California Women's Leadership Association

Ed Cervantes, President
Latino American Political Association

PROPOSITION **IMPOSES ONE-TIME TAX ON CERTAIN TAXPAYERS.**
40 INITIATIVE CONSTITUTIONAL AMENDMENT AND STATUTE.

OFFICIAL TITLE AND SUMMARY

PREPARED BY THE ATTORNEY GENERAL

The text of this measure can be found on page 134 and the Secretary of State's website at voterguide.sos.ca.gov.

- Imposes one-time tax of up to 5% on certain taxpayers with covered assets valued over \$1 billion; covered assets include businesses, securities, art, collectibles, and intellectual property, but exclude real property and some pensions and retirement accounts.
- Allocates 90% of these tax revenues for health care, 10% for food assistance or education-related programs; prohibits using revenues to replace existing funding for these purposes.
- Exempts such tax revenues from constitutional requirements for school funding, budget reserves, and state spending limit.

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

- Temporary state revenue increase from a new wealth tax on billionaires. These wealth tax revenues probably would add up to tens of billions of dollars spread over several years.
- Possible ongoing decrease of less than \$1 billion per year in state income tax revenue collected from billionaires.

ANALYSIS BY THE LEGISLATIVE ANALYST

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BACKGROUND

California Is Home to Many Billionaires.

Several of the wealthiest people in the world live in California. Wealth is the value of all the things a person owns. Wealth is different from income, which is how much a person earns in a set period of time, like one year. A person's wealth typically is measured by their net worth. A person's net worth is the value of all the things they own, like stocks, businesses, or other investments, minus their debts. California is home to a few hundred people with net worth over \$1 billion, often called billionaires. Many of these billionaires gained their wealth as executives or investors in California technology companies.

Health Care Is a Major Category of State Spending.

The state and federal government spend over \$200 billion per year on state health care programs. Most state health care spending is for Medi-Cal, the state's health

insurance program for low-income people. State spending also supports public health programs, mental health care, and drug and alcohol treatment.

PROPOSAL

Establishes One-Time Wealth Tax on Billionaires.

Under Proposition 40, billionaires who were residents of California on January 1, 2026 would have to pay a one-time state tax equal to 5 percent of their net worth. The tax would be due in 2027. Taxpayers would have the option to spread the payments over five years but would have to pay more to do so. Real estate, pensions, and retirement accounts generally would be excluded from the tax.

Most of the Money Must Be Spent on Health Care.

The state would decide how and when to spend the money from the wealth tax, but it would have to be spent on certain types of

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

Potential Interactions With Other Propositions

If Proposition 41 or 42 on this same ballot receive more “yes” votes than Proposition 40, then Proposition 40 could be stopped from becoming law even if it gets yes votes from a majority of voters. This is because the courts could find that Proposition 41 or 42 conflict with Proposition 40.

services. Ninety percent of the money would have to be spent on health care services for the public. The rest would have to be spent on education, food assistance, and administration of the wealth tax. Existing rules in the State Constitution that limit spending and require the state to spend a certain amount on schools and community colleges would not apply to this money.

FISCAL EFFECTS

Temporary State Revenue Increase From Wealth Tax. The state probably would collect tens of billions of dollars from the wealth tax. This temporary increase in state tax collections would be spread across several years. Exactly when and how much the state would collect is very hard to predict for many reasons. For example, it is hard to know what actions billionaires would take to reduce the amount of tax they pay. Also, much of the wealth is based on stock prices, which are always changing.

Possible Ongoing Decrease in State Income Tax Revenues. California billionaires, like all those earning money in the state, currently pay state taxes on their annual income. Billionaires may respond to a new wealth

tax in ways that reduce their income tax payments. For example, some billionaires may decide to leave California. The income taxes they currently pay to the state also would go away. These responses probably would reduce state revenues by less than \$1 billion per year. This could mean less money for the state’s General Fund, which is the account that pays for most public services, including education, health care, and prisons.

State Costs to Administer the Wealth Tax.

The state would have costs to determine how much wealth tax is owed and to collect tax payments. These costs could be tens of millions of dollars per year for several years. These costs would be paid from the new wealth tax revenues.

Visit sos.ca.gov/campaign-lobbying/cal-access-resources/measure-contributions/2026-ballot-measure-contribution-totals for a list of committees primarily formed to support or oppose this measure.

Visit fppc.ca.gov/transparency/top-contributors.html to access the committee’s top 10 contributors.

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★ ARGUMENT IN FAVOR OF PROPOSITION 40 ★

YES ON PROP. 40 TO TAX BILLIONAIRES

Trump's "Big, Ugly Bill" slashed funding for healthcare in California to pay for more billionaire tax breaks, eliminating coverage for over a million Californians and doubling health insurance premiums for millions more. Vote YES on Prop. 40 to make billionaires finally pay their fair share in taxes and stop sticking the middle class with the bill.

FUND HEALTHCARE, NOT BILLIONAIRE TAX BREAKS

Prop. 40 makes approximately 200 California billionaires pay a modest, one-time tax on their global wealth to keep local hospitals and ERs open and healthcare affordable for millions of Californians. It will raise about \$100 billion to replace the funding Trump and his billionaire donors took from working people to line their pockets. The funds will go to life-saving medical care for seniors, veterans, and families. It will allow millions of Californians to keep their health insurance and not see their premiums skyrocket. It will prevent mass teacher layoffs in our public schools and keep children fed through food assistance programs.

BILLIONAIRES SHOULD PAY THEIR FAIR SHARE

You pay your taxes out of every paycheck, but billionaires pay much lower rates than working families. They insist on paying less, even as they get bigger and bigger tax breaks.

Prop. 40 enacts a one-time tax paid ONLY by Californians worth more than \$1 billion, a small group of people who together hold \$2 trillion in wealth—most of which will never be taxed due to loopholes that favor the ultra-wealthy.

Billionaires amassed their extreme wealth on the backs of the middle class, and we have a chance to make them pay their fair share so WE aren't stuck paying more for healthcare.

BERNIE SANDERS SUPPORTS PROP. 40

U.S. Senator Bernie Sanders strongly supports voting YES on Prop. 40, even if some politicians in Sacramento are protecting billionaires over working people.

"The idea that [billionaires] are saying it's ok for children to die, for people not to get the healthcare they need, that they're going to punish the people of California—it's outrageous."

—U.S. Senator Bernie Sanders.

DON'T BELIEVE THE BILLIONAIRES' LIES

A small group of morally bankrupt billionaires is spreading lies about Prop. 40, because they want working people to foot the bill for their tax breaks.

Google founder and Trump donor Sergey Brin's wealth has DOUBLED to nearly \$300 billion since Trump's election. Now he's spent over \$57 million to oppose Prop. 40. He'd rather millions of Californians lose healthcare than pay his fair share in taxes.

Billionaires like Brin have bought and paid for some corrupt politicians and organizational leaders to also oppose Prop. 40—but actual teachers, Planned Parenthood workers, nurses, and union members support it. Those opposing Prop. 40 have not put forth any viable solution to replacing the funding Trump took from us.

Of course these billionaires and their puppets don't want a billionaire tax, but you should—because someone has to pay, and working people are already paying enough for healthcare.

SAVE LIVES. TAX BILLIONAIRES.

Suzanne Jimenez, Chief of Staff
SEIU-United Healthcare Workers West

Victoria Barron, Patient Access Specialist
Planned Parenthood of Pacific Southwest

Denise Robb, Ph.D., Member of American Federation of Teachers Local 1521
Los Angeles College Faculty Guild

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 40 ★

CALIFORNIA'S EDUCATION, HEALTHCARE, PUBLIC SAFETY, LABOR AND BUSINESS LEADERS ALL OPPOSE PROP. 40'S FLAWED TAX SCHEME

Prop. 40 is a flawed tax scheme that will damage our state while taxpayers pay the price.

Here's why a broad coalition of California teachers, doctors, clinics, hospitals, firefighters, taxpayers, blue-collar labor unions, businesses, Democrats and Republicans oppose 40:

- Prop. 40 won't fill any funding gap—IT WILL COST CALIFORNIA \$25 BILLION in lost revenue for schools, healthcare and public safety.
- Prop. 40 won't fix healthcare or lower costs for consumers—it's a blank check that ALLOWS THE LEGISLATURE TO GIVE BILLIONS TO HEALTH INSURANCE COMPANIES, with no guarantees struggling families see a single cent to help them with high healthcare costs.
- Prop. 40 won't help schools: it exempts itself from California's voter-approved protections for school funding. That SHORTCHANGES PUBLIC SCHOOLS \$3 BILLION ANNUALLY.
- Prop. 40 doesn't solve inequality in California. It just pushes out the

companies and successful residents who drive California's economy, jobs and tax base—FORCING OTHER TAXPAYERS TO MAKE UP THE DIFFERENCE.

There's more: the French economists and the lone group behind Prop. 40 knew the money from their flawed one-time tax would run out, so they included a loophole that lets the Legislature expand the tax without a vote of the people.

Prop. 40 has no accountability or oversight, and no safeguards to ensure the money is spent as intended.

California needs stable, accountable revenue to fund our schools, healthcare and public safety—NOT PROP. 40.

Get the facts and vote no on Prop. 40.

April O'Connor, Teacher
California Teachers Association

Rob Gutierrez, President
California Taxpayers Association (CalTax)

Chris Hannan, President
State Building and Construction Trades Council of California

★ ARGUMENT AGAINST PROPOSITION 40 ★

No on 40—FLAWED WEALTH TAX “EXPERIMENT” HURTS ALL CALIFORNIANS

Prop. 40 is a poorly designed tax scheme that will damage our economy and cost our state budget billions of dollars—without doing anything to lower healthcare costs for Californians.

This measure is a one-time tax that only provides temporary funds. When the money runs out, the politicians will be back with yet another tax.

PROP. 40 WILL COST CALIFORNIA \$25 BILLION IN LOST REVENUE FOR HEALTHCARE, EDUCATION

A study by Stanford University economists found the tax will cost California \$25 billion as the tax drives companies and wealthy residents out-of-state.

These residents create new businesses, drive our economic growth and already pay nearly half the income taxes that fund state programs. If they leave, it will create a huge hole in our budget, threatening core services like education, healthcare and public safety or forcing other taxpayers to make up the difference.

California’s DOCTORS, HOSPITALS AND CLINICS OPPOSE PROP. 40 because the lost funding will endanger patients’ access to healthcare.

“Prop. 40 doesn’t help the need for stable healthcare funding. Prop. 40 makes it worse.”—Jodi Hicks, President and CEO, Planned Parenthood Affiliates of California

PROP. 40 IS WRITTEN TO GIVE POLITICIANS NEW POWER TO EXPAND THE TAX

Prop. 40 isn’t just a “billionaire tax.” The special interests behind the measure wrote it to give the State Legislature power to amend the measure—without voter approval.

Independent legal analysis found Prop. 40 opens the door to expanding the tax to the assets of ALL Californians—to your savings, home equity and even retirement funds. www.ReadItForYourself.org

PROP. 40 TAXES RETIREMENT ACCOUNTS FOR THE FIRST TIME

Prop. 40 would be the first in California history to tax retirement accounts—a dangerous precedent. If it passes, it will inevitably be expanded to tax more Californians’ retirement savings.

PROP. 40 IS A RECIPE FOR MORE WASTEFUL SPENDING

State government spending is up 79% since 2019, without delivering

better results on key issues like crime, housing and homelessness. But Prop. 40 includes no accountability, transparency or oversight provisions to ensure funds are spent as intended.

Instead, Prop. 40: • Exempts itself from voter-approved constitutional protections for schools, shortchanging classrooms over \$3 billion annually. www.ProtectCaliforniaSchools.org • Exempts itself from the voter-approved state spending limit, including its requirement that excess revenues get returned to taxpayers.

• Includes no safeguards to prevent billions from going directly to health insurance companies and CEOs.

AUTHORS ADMIT THE ONE-TIME TAX IS AN EXPERIMENT

The French economists who co-authored Prop. 40 have unsuccessfully proposed wealth taxes in France and the European Union that were rejected due to economic concerns. They call Prop. 40 “an experiment” that may backfire but say “California is the ideal place to test their idea.”

We shouldn’t risk California’s future on a costly economic experiment. www.WhoWroteProp40.org

PROP. 40 IS OPPOSED BY LABOR AND BUSINESS, DEMOCRATS AND REPUBLICANS, TEACHERS AND FIREFIGHTERS

Prop. 40 is opposed by Governor Gavin Newsom, the Democratic and Republican candidates for governor, and the following organizations:

California Teachers Association, Planned Parenthood Affiliates of California, California Children’s Hospital Association, State Building and Construction Trades Council of California, California Conference of Carpenters, California Professional Firefighters, California Asian Pacific Chamber of Commerce, California Council for Affordable Housing, California Taxpayers Association, California Chamber of Commerce, California Hispanic Chambers of Commerce

Join us and vote no on this flawed tax scheme.

Visit www.VoteNoOn40.org for more information.

René Bravo, M.D., President
California Medical Association

Francisco Silva, CEO
California Primary Care Association

Dr. Debra Schade, President
California School Boards Association

★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 40 ★

LET’S CHECK THE FACTS

1. Prop. 40 is a BILLIONAIRE tax. It cannot be applied to anyone else—working people already pay more than their fair share.
2. Prop. 40 will GENERATE \$100 billion to replace the healthcare funding Trump cut to fund billionaire tax breaks.
3. Billionaires pay MUCH LOWER TAX RATES compared to what working families pay out of every paycheck.

DON’T LISTEN TO BILLIONAIRE LIES

The billionaires who helped Trump pass the “Big, Beautiful Bill” have spent millions to trick you into voting against a billionaire tax.

Don’t be fooled. The endorsements and studies from the billionaires are hiding the truth—they’re pushing a Trump agenda that protects billionaires and hurts everyday taxpayers.

ACTUAL DOCTORS, NURSES, TEACHERS, AND WORKERS SUPPORT PROP. 40

While some organizational leaders and lobbyists have sided with billionaires, the working people they’re supposed to represent are standing behind Prop. 40 and urging you to vote YES. Supporters include:

California Nurses Association, Representative Ro Khanna, Doctors with the Committee of Interns and Residents, SEIU, California League of United Latin American Citizens (LULAC), Clergy and Laity United for Economic Justice (CLUE)

OPPONENTS OF PROP. 40 HAVE NO PLAN TO SAVE YOUR HEALTHCARE

The billionaires and their puppets have not put forth ANY viable solution to replacing the healthcare funding Trump took from us. They’d rather the middle class get stuck with shuttered hospitals and skyrocketing healthcare costs than pay their fair share.

Vote YES on Prop. 40.

Suzanne Jimenez, Chief of Staff
SEIU-United Healthcare Workers West

Victoria Barron, Patient Access Specialist
Planned Parenthood of Pacific Southwest

Denise Robb, Ph.D., Member of American Federation of Teachers Local 1521
Los Angeles College Faculty Guild

PROPOSITION
41 PROHIBITS NEW STATE TAXES THAT EXCLUDE REVENUES FROM STATE
SPENDING LIMIT. REQUIRES AUDITS FOR NEW STATE SPECIAL TAXES.
INITIATIVE CONSTITUTIONAL AMENDMENT.

OFFICIAL TITLE AND SUMMARY

PREPARED BY THE ATTORNEY GENERAL

The text of this measure can be found on page 147 and the Secretary of State's website at voterguide.sos.ca.gov.

- Prohibits any new state taxes that exclude their revenues from the state spending limit approved by voters in 1979.
- For statewide special taxes, requires (1) a pre-election audit of programs that would receive funding from a voter-proposed special tax, and (2) recurring audits of programs funded by special taxes enacted after January 1, 2026.
- States that other voter-approved measures appearing on the same ballot are void if they conflict with this measure and this measure receives more affirmative votes.

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

- Unknown net fiscal effect. Increased costs for the California State Auditor to implement new one-time and ongoing audit requirements of programs funded by special taxes. These costs would be mostly paid from the new revenues collected from the special taxes. Possible savings associated with implementing recommendations from the audits.

ANALYSIS BY THE LEGISLATIVE ANALYST

BACKGROUND

Elections Administration. The Secretary of State oversees elections across the state and prepares and mails the state *Voter Information Guide* (VIG).

Voter Initiative Process. California citizens may propose state laws and constitutional amendments through the statewide initiative process. Supporters of an initiative collect signatures from registered voters to qualify their initiative for the ballot. State law sets how many valid signatures supporters must collect to qualify their initiative for the ballot. Supporters notify the Secretary of State once they have gathered 25 percent of the necessary signatures.

Special Taxes. State taxes can be raised by the Legislature or by voters. When a "special tax" is created, the revenue from that tax is dedicated to a specific purpose or program. For example, certain fuel taxes can only be used to pay for public roads and other transportation programs.

California State Auditor's Office (State Auditor). The State Auditor is an independent and nonpartisan office in state government. It reviews how well the state and local governments follow the law, use money, and run their programs. These reviews are called audits. An audit may give recommendations to help improve government

operations and efficiency. Some audits happen regularly over time while other audits are done only once.

PROPOSAL

Requires One-Time Audits Before Special Taxes Appear on the Ballot Through the Voter Initiative Process. Proposition 41 requires the State Auditor to review each program that would receive funds from a new or increased special tax proposed through the voter initiative process. This audit would occur after supporters collect 25 percent of the signatures needed to qualify a measure for the ballot, which is before it is known whether the initiative will qualify for the ballot. Proposition 41 specifies what the State Auditor would include in these audits, including identifying ways to reduce an audited program's annual costs by 10 percent. Proposition 41 requires the State Auditor to write a summary of each audit. If a proposed voter initiative with a special tax qualifies for the ballot, Proposition 41 requires the State Auditor's summary to be included in the VIG. If voters approve the special tax, the cost of the one-time audit would be paid from the new tax revenues.

Ongoing Audits of Programs Receiving Funds From New or Increased Special Taxes. Proposition 41 also requires the State Auditor to

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

Potential Interactions With Other Propositions

If Proposition 41 receives more “yes” votes than Proposition 40 on this same ballot, then Proposition 40 could be stopped from becoming law even if it gets yes votes from a majority of voters. This is because the courts could find that Proposition 41 conflicts with Proposition 40.

periodically review programs that receive funding from special taxes created or increased by the Legislature or by voters after January 1, 2026. These ongoing audits would happen every four years. Proposition 41 specifies what the State Auditor will include in these audits, including recommendations to improve program efficiency. Proposition 41 specifies that the costs of this ongoing work will be paid using the new tax revenue.

State Appropriations Limit. The State Constitution limits how much tax revenues the state can spend each year. The limit applies to both General Fund taxes and special taxes. However, certain types of spending, for example for infrastructure, are excluded from this limit. Under Proposition 41, the state might not be able to exclude new special tax spending from the limit.

FISCAL EFFECTS

Increased State Auditor Costs, Mostly Paid by New Revenues. Proposition 41 would increase State Auditor costs by creating new and ongoing audit requirements. The costs would depend on (1) the number of new or increased special taxes that are proposed and approved and (2) the complexity of the programs being audited. These costs likely would be in the range of the low millions of dollars per year but would grow over time. The one-time and ongoing audit costs associated with special taxes approved by voters or the Legislature would be paid from the revenues collected by the special taxes. One-time audit costs associated with special taxes that do not ultimately appear on the ballot or are rejected by voters would be paid from the state’s General

Fund. (The General Fund is the account the state uses to pay for most public services, including education, health care, and prisons.)

Higher Costs to Print and Mail VIG. Proposition 41 would require a summary of the State Auditor’s review to appear in the VIG when a voter initiative with a special tax appears on the ballot. These audit summaries could add several pages to the VIG, which would increase state printing and mailing costs by a few hundred thousand dollars per qualified initiative.

Possible Savings if State Auditor Recommendations Are Implemented.

Proposition 41 requires the State Auditor to make recommendations for programs to reduce costs or improve efficiency. Proposition 41 could result in savings or improved services if policymakers implement the State Auditor’s recommendations and those recommendations prove effective. Any resulting savings would depend on future decisions and are not known.

Net Effect Not Known. The net fiscal effect of Proposition 41 is unknown as it depends on future decisions by voters, the Legislature, and other policymakers.

Visit sos.ca.gov/campaign-lobbying/cal-access-resources/measure-contributions/2026-ballot-measure-contribution-totals for a list of committees primarily formed to support or oppose this measure.

Visit fppc.ca.gov/transparency/top-contributors.html to access the committee’s top 10 contributors.

41

★ ARGUMENT IN FAVOR OF PROPOSITION 41 ★

CALIFORNIANS DESERVE BETTER RESULTS FOR OUR TAX DOLLARS

Prop. 41 requires the State Auditor to conduct independent public audits of programs funded by proposed new taxes in order to increase transparency and accountability and drive better outcomes.

Californians pay some of the highest taxes in the country—on top of our high cost of living. This year alone, California’s state government will spend more than \$350 billion—a 79% increase in spending since 2019. Billions of our tax dollars have flowed into state programs like homelessness efforts, with too little to show for it.

We deserve better education, health care, infrastructure and other services in return for the hard-earned money we pay to the state.

Prop. 41 requires more accountability, transparency and trackable progress of programs funded by our taxes, so that we stop funding failure and start funding successful outcomes.

Here’s how Prop. 41 works.

PUBLIC AUDITS TO PROVIDE ACCOUNTABILITY, TRANSPARENCY AND OVERSIGHT

Prop. 41 requires the independent State Auditor to conduct performance and financial audits of the programs funded by new tax measures, with the results posted publicly. The audits must:

- Track all program spending and assess whether it’s achieving its intended outcomes;
- Determine whether programs have sufficient oversight and accountability;
- Identify areas of waste, fraud and abuse;
- Recommend how future waste and fraud can be avoided and programs made more effective.

Prop. 41 requires audits both *before* taxes are voted on to provide transparency to voters, and *ongoing* audits of programs funded by approved taxes to ensure accountability.

PROP. 41: INDEPENDENT, PUBLIC INFORMATION FOR VOTERS ON PROPOSED TAXES

Before we vote on new taxes to fund programs, voters should have access to independent information about how those programs are being managed and whether they actually need more funding. Under Prop. 41, the Auditor’s findings must be posted publicly and in the Voter Information Guide—so voters can make informed decisions about new taxes without having to rely on information from special interests or politicians.

“This commonsense, long overdue reform will finally instill some transparency and accountability in state spending—ensuring Californians get better government services for the taxes we pay. It provides an independent, public report card for government spending, so government programs work better for everyone.”—Pat Fong Kushida, President/CEO of the CalAsian Chamber of Commerce

PROP. 41: A BETTER DEAL FOR TAXPAYERS

Prop. 41 doesn’t raise taxes—it protects taxpayers’ interests:

- Reduces the waste and fraud that have cost California taxpayers billions of dollars in recent years;
- Requires all taxes to comply with the state’s voter-approved spending limit—including its requirement that excess revenues get refunded to taxpayers.

Prop. 41 ensures taxpayers get better results—not just a bigger tax bill.

“Every tax dollar we waste is a dollar that could actually help someone. Californians already pay the highest state income and sales taxes in the country—we need better transparency and accountability to make sure our tax dollars produce results. Prop. 41 delivers.”—Steve Westly, former Controller of California.

Please join good government groups, small business owners, accountants, taxpayers and public transparency advocates in voting Yes on 41.

For more information, visit: www.ResultsCA.org

Denise LeDuc Froemming, CPA, President
California Society of Certified Public Accountants (CalCPAs)

Tom Hayes, Fmr. California State Auditor

Robert Gutierrez, President
California Taxpayers Association (CalTax)

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 41 ★

THIS IS A BILLIONAIRE-FUNDED SMOKE SCREEN

Don’t be fooled—Prop. 41 is not really about audits.

This is all a trick so approximately 200 billionaires can keep avoiding paying their own taxes while YOU get stuck with the bill.

PROP. 41 WOULD CANCEL OUT THE BILLIONAIRE TAX

Prop. 41 is a billionaire-funded scheme designed specifically to undo the California Billionaire Tax, Prop. 40.

Prop. 41 was put on the ballot because billionaires don’t want to pay their fair share. They’d rather millions of working people lose healthcare than pay a modest, one-time tax on their extreme wealth.

To add insult to injury, Prop. 41 isn’t just a scheme, it’s an expensive one—it would cost the state time and money.

SOME OF DONALD TRUMP’S DONORS FUNDED THIS

The billionaires behind this don’t care about accountability for taxpayers. They’ve been getting out of paying their own

taxes for years through loopholes and tax breaks.

This sham initiative was created to trick voters like you into making a billionaire tax impossible to enforce.

IF YOU CARE ABOUT FUNDING FOR HEALTHCARE, PUBLIC EDUCATION, AND FOOD ASSISTANCE, VOTE NO ON PROP. 41

Donald Trump slashed funding for our essential services so billionaires could hoard even more wealth.

Passing the California Billionaire Tax is the only way to replace the money Trump took from us, so we’re not stuck with shuttered hospitals and skyrocketing healthcare costs.

To save lives and keep healthcare costs down for Californians, reject the billionaires’ lies.

Vote NO on Prop. 41.

Suzanne Jimenez, Chief of Staff
SEIU-United Healthcare Workers West

★ ARGUMENT AGAINST PROPOSITION 41 ★

VOTE NO ON PROP. 41. This is a billionaire-funded initiative designed specifically to undo the California Billionaire Tax, Prop. 40.

PROP. 41 WOULD CANCEL OUT THE BILLIONAIRE TAX

Prop. 41 was put on the ballot for one reason—because billionaires don't want to pay their fair share. This initiative was created to trick voters like you into making a billionaire tax impossible to enforce. That's why you must vote NO.

Don't fall for the billionaires' lies. Prop. 41 isn't about auditing new taxes. It's about defeating one specific tax that billionaires want to avoid, because they'd rather millions of working people lose healthcare than pay a modest, one-time tax on their extreme wealth.

PROP. 41 WAS FUNDED BY BILLIONAIRES WHO WANT YOU TO PAY MORE FOR HEALTHCARE

One of Prop. 41's main funders is Google founder and Trump donor Sergey Brin, whose wealth has DOUBLED to nearly \$300 billion since Trump's election. Now he's spent over \$57 million to fund sham measures like Prop. 41 that attempt to cancel out a billionaire tax. U.S. Senator Bernie Sanders called this arrogant move by Brin "unacceptable."

Donald Trump took money out of working peoples' pockets and gave it to billionaires like Brin through massive tax breaks. Now, the billionaires backing Prop. 41 want YOU to pay more for your healthcare.

VOTE NO ON PROP. 41 IF YOU SUPPORT THE BILLIONAIRE TAX

We have a chance to make billionaires pay their fair share to keep hospitals open and healthcare affordable for California's working families. Vote NO on Prop. 41.

Suzanne Jimenez, Chief of Staff
SEIU-United Healthcare Workers West

★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 41 ★

When state government programs don't deliver, it hurts the people who rely on those services and the taxpayers who fund them.

Prop. 41 requires the independent State Auditor to conduct performance and financial audits of the programs to be funded by new taxes—to help make programs more effective and efficient.

Ask yourself: why would a single, solitary Sacramento special interest oppose transparency and accountability?

YES ON 41: TAXPAYERS DESERVE BETTER RESULTS

Some facts:

- Our state budget is a record high \$352 billion this year.
- State spending is up 79% since 2019.
- We've spent billions on programs like homelessness—with too little to show for it.

With some of the highest taxes in the nation and a rising cost of living, we can't afford to fund failure. Every dollar wasted is one that could go to help someone.

Prop. 41 requires transparency and trackable progress of programs, to help improve education, health care and other public services Californians rely on.

PROP. 41: PUBLIC AUDITS TO IMPROVE ACCOUNTABILITY

"Independent performance audits give voters objective, credible information about public resources, strengthening accountability and public trust." Denise LeDuc Froemming, President, California Society of Certified Public Accountants
Under Prop. 41, the independent State Auditor publicly reviews the programs that new taxes would fund, exposes any waste or mismanagement, and recommends program improvements. The audit findings are published in the Voter Information Guide before you vote—with ongoing audits if a tax is approved.

VOTERS DESERVE MORE TRANSPARENCY—even if special interests don't like it.

Vote Yes on Prop. 41. More transparency, more accountability, better results for our tax dollars.

Pat Fong Kushida, President
California Asian Pacific Chamber of Commerce (CalAsian Chamber)

Steve Westly, Fmr. California State Controller

Robert Gutierrez, President
California Taxpayers Association (CalTax)

PROPOSITION
42 PROHIBITS NEW STATE PERSONAL PROPERTY
TAXES AND CERTAIN RETROACTIVE STATE TAXES.
INITIATIVE CONSTITUTIONAL AMENDMENT.

OFFICIAL TITLE AND SUMMARY

PREPARED BY THE ATTORNEY GENERAL

The text of this measure can be found on page 150 and the Secretary of State's website at voterguide.sos.ca.gov.

- Prohibits new state taxes on personal property, including business interests, intellectual property, and financial assets (including assets in retirement and investment accounts).
- Prohibits new state taxes that apply retroactively based on the taxpayer's conduct, activities, or a status that occurred before the new tax's effective date.
- Applies to new taxes that are enacted or take effect on or after January 1, 2026.
- States that other voter-approved measures appearing on the same ballot are void if they conflict with this measure and this measure receives more affirmative votes.

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

- Possibility that tax revenues will not go up as much in the future.

ANALYSIS BY THE LEGISLATIVE ANALYST

BACKGROUND

Certain Personal Property Is Taxed in California. Both the state and local governments tax the ownership of certain personal property. These taxes are based on the property's value. Personal property is all the things that people own other than real estate. One example of these kinds of taxes is the vehicle license fee that car and truck owners pay to the Department of Motor Vehicles each year. Another example is the property taxes owners of business equipment pay to the county each year.

Ownership of Financial Assets Is Not Taxed. The ownership of many types of personal property is not taxed. One major example is financial assets

like stocks and investment accounts. Although the state does tax income people make from their financial assets, there is no tax for simply owning those assets.

PROPOSAL

Prohibits New Taxes on Financial Assets or Other Personal Property. Under Proposition 42, new taxes on the ownership of financial assets or other personal property would not be allowed.

Limits Retroactive Taxes. Proposition 42 limits the situations that a ballot measure or the Legislature can raise any tax retroactively. A retroactive tax is one that applies to things that

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

Potential Interactions With Other Propositions

If Proposition 42 receives more “yes” votes than Proposition 40 on this same ballot, then Proposition 40 could be stopped from becoming law even if it gets yes votes from a majority of voters. This is because the courts could find that Proposition 42 conflicts with Proposition 40.

happened in the past. An example is a tax on money someone earned two years ago.

FISCAL EFFECT

Possibility That Tax Revenues Will Be Lower in the Future. Proposition 42 restricts the options the state has to raise taxes in the future. This could make it somewhat harder for the state to raise taxes. This could reduce future tax revenues. When and by how much future revenues would be reduced is unclear.

Visit sos.ca.gov/campaign-lobbying/cal-access-resources/measure-contributions/2026-ballot-measure-contribution-totals for a list of committees primarily formed to support or oppose this measure.

Visit fppc.ca.gov/transparency/top-contributors.html to access the committee’s top 10 contributors.

★ ARGUMENT IN FAVOR OF PROPOSITION 42 ★

YES ON PROP. 42: PROTECT YOUR RETIREMENT AND LIFE SAVINGS FROM STATE TAXES

California is now the third most expensive state to retire in the nation. Every year, higher costs and taxes make it harder to save. An April 2026 survey found 73% of Californians know someone who has had to delay retirement for financial reasons.

CALIFORNIA CONSTITUTION CURRENTLY ALLOWS DOUBLE TAXATION

Yet, California's Constitution currently allows the Legislature to tax the value of our personal property like retirement funds and savings accounts, even though residents already pay income tax on that money when they earn it. This means politicians can tax the same money twice: once when you earn it, and again when it is sitting in your retirement funds or savings accounts. That's double taxation!

In the last few years alone, the Legislature and special interests have introduced six separate proposals that would tax retirement and savings accounts.

Taxes and cost of living are already too high in California—we need protections against taxes on our personal property and retirement savings.

PROP. 42 PROHIBITS TAXES ON RETIREMENT AND SAVINGS

Prop. 42 amends the state Constitution to protect Californians from this double taxation by special interests and politicians. Specifically, the measure:

- Prohibits new taxes on personal property, such as retirement funds, pensions and savings accounts;
- Prohibits retroactive taxes; and
- Prohibits all new taxes on retirement and savings this year and in the future.

PROP. 42 PROTECTS ALL FORMS OF RETIREMENT FUNDS AND SAVINGS FROM NEW TAXES

Roughly 80% of Californians report having some form of retirement fund or savings, including young workers just beginning to save; teachers, firefighters and police officers with pensions; and retirees who depend on their savings for financial security.

This measure protects all forms of personal property from new taxes, including 401ks, pensions, IRAs and personal savings.

"Prop. 42 protects Californians' savings and retirement. Whether it's a union member's hard-earned pension or a small business owner's IRA, new taxes on retirement shouldn't stand between people and the security they've planned for."—Chris Hannan, President, State Building and Construction Trades Council of California representing hundreds of thousands of union construction trades workers.

PROP. 42 PROHIBITS UNFAIR RETROACTIVE TAXES

The state should not be able to pass new taxes that apply retroactively to money that taxpayers earned in the past. Prop. 42 requires any new taxes to apply only after voters have approved them.

"It's a question of fairness and common sense. People plan their retirement for years—they deserve stable, predictable rules that don't change after years of saving and planning. Prop. 42 provides that certainty."—Sean Morgan, licensed financial advisor

Prop. 42 is supported by a broad coalition of seniors, veterans, small business owners, blue-collar workers, retirees, including groups like the California Professional Firefighters and Disabled American Veterans, Dept. of California.

Californians are already struggling with high costs of living and high taxes. Many work their entire lives to achieve some measure of retirement security. It should be illegal for politicians and special interests to tax our retirement and savings.

You earned and saved it. Now we need to protect it. Please join us in voting Yes on 42. [YesonProp42.org](https://www.yesonprop42.org)

Michael Hedges, President
California Small Business Association

Shelley Huff, Commander
AMVETS, Department of California

Jennifer Yoder, Board Member
California Senior Alliance

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 42 ★

THIS IS ANOTHER BILLIONAIRE-FUNDED TRICK

Don't be fooled—Prop. 42 is not really about protecting your retirement savings from new taxes.

It's a redundant, expensive trick to allow approximately 200 billionaires to keep avoiding paying their own taxes while YOU get stuck with the bill.

PROP. 42 WOULD CANCEL OUT THE BILLIONAIRE TAX

Prop. 42 is a billionaire-funded scheme designed specifically to undo the California Billionaire Tax, Prop. 40.

Prop. 42 was put on the ballot because billionaires don't want to pay their fair share. They'd rather millions of working people lose healthcare than pay a modest, one-time tax on their extreme wealth.

WHO'S BEHIND THIS? SOME OF DONALD TRUMP'S DONORS

The billionaires behind this don't care about protecting your retirement savings. They're protecting themselves. They've

been getting out of paying their own taxes for years through loopholes and tax breaks.

This sham initiative was created to trick voters like you into making a billionaire tax impossible to enforce. That's why you must vote NO.

PROP. 40 WOULD ONLY TAX BILLIONAIRES' \$2 TRILLION IN WEALTH

The billionaires behind Prop. 42 have spread lies about the California Billionaire Tax (Prop. 40), trying to trick voters into thinking that their retirement and savings are at risk.

Don't buy the fear-mongering. The California Billionaires Tax ONLY applies to billionaires. It's about making billionaires finally pay their fair share so we're not stuck with shuttered hospitals and skyrocketing healthcare costs.

Vote NO on Prop. 42.

Suzanne Jimenez, Chief of Staff
SEIU-United Healthcare Workers West

★ **ARGUMENT AGAINST PROPOSITION 42** ★

VOTE NO ON PROP. 42. This is a billionaire-funded initiative designed specifically to undo the California Billionaire Tax, Prop. 40.

PROP. 42 WOULD CANCEL OUT THE BILLIONAIRE TAX

Prop. 42 was put on the ballot for one reason—because billionaires don’t want to pay their fair share. This initiative was created to trick voters like you into making a billionaire tax impossible to enforce. That’s why you must vote NO.

Don’t fall for the billionaires’ lies. Prop. 42 isn’t about preventing new taxes on personal property. It’s about preventing one specific tax that billionaires want to avoid, because they’d rather millions of working people lose healthcare than pay a modest, one-time tax on their extreme wealth.

PROP. 42 WAS FUNDED BY BILLIONAIRES WHO WANT YOU TO PAY MORE FOR HEALTHCARE

One of Prop. 42’s main funders is Google founder and Trump donor Sergey Brin, whose wealth has DOUBLED to nearly

\$300 billion since Trump’s election. Now he’s spent over \$57 million to fund sham measures like Prop. 42 that attempt to cancel out a billionaire tax. U.S. Senator Bernie Sanders called this arrogant move by Brin “unacceptable.”

Donald Trump took money out of working peoples’ pockets and gave it to billionaires like Brin through massive tax breaks. Now, the billionaires backing Prop. 42 want YOU to pay more for your healthcare.

VOTE NO ON PROP. 42 IF YOU SUPPORT THE BILLIONAIRE TAX

We have a chance to make billionaires pay their fair share to keep hospitals open and healthcare affordable for California’s working families. Vote NO on Prop. 42.

Suzanne Jimenez, Chief of Staff
SEIU-United Healthcare Workers West

★ **REBUTTAL TO ARGUMENT AGAINST PROPOSITION 42** ★

WHO SUPPORTS PROP. 42

Prop. 42 is supported by hundreds of thousands of seniors, veterans, firefighters, blue-collar workers, public-safety officers and working families because it protects the retirement and savings of ALL Californians from new taxes.

Who opposes 42? One organization that wants to tax retirement accounts.

WHY WE NEED PROP. 42

Sacramento politicians and special interests have repeatedly tried to pass taxes on retirement and personal savings accounts in recent years. They’ve relied on a loophole in California’s Constitution that allows government to tax our income when we earn it, and AGAIN when it is simply sitting in our savings and retirement accounts.

CALIFORNIA IS EXPENSIVE ENOUGH WITHOUT DOUBLE TAXATION

Prop. 42 prohibits this double taxation by PROHIBITING ALL NEW TAXES ON RETIREMENT AND SAVINGS ACCOUNTS and other personal property, whether proposed by legislation or ballot measure, including proposals on this year’s ballot and in the future.

It is a comprehensive constitutional protection against politicians or special interests trying to tax our retirement funds and savings accounts.

WHO BENEFITS FROM PROP. 42

Prop. 42 protects the retirement and savings for all Californians—young workers just beginning to save; teachers, firefighters and police officers with pensions; retirees and veterans who depend on their savings for financial security.

You saved it. You deserve to keep it.

Prop. 42 asks a simple question: should California politicians have the power to tax your personal property, including retirement and savings accounts?

If you think your retirement and savings should be protected from taxes, vote Yes on 42.

Darrell Roberts, President
California Professional Firefighters

Chris Hannan, President
State Building and Construction Trades Council of California

Brian R. Marvel, President
Peace Officers Research Association of California

PROPOSITION **LIMITS VOTERS' ABILITY TO RAISE REVENUES
43 FOR LOCAL GOVERNMENT SERVICES.
LEGISLATIVE CONSTITUTIONAL AMENDMENT.**

OFFICIAL TITLE AND SUMMARY

PREPARED BY THE ATTORNEY GENERAL

The text of this measure can be found on page 153 and the Secretary of State's website at voterguide.sos.ca.gov.

- Currently, local governments must obtain two-thirds voter approval to impose, extend, or increase special taxes (taxes dedicated to a specific purpose) that they place on the ballot. However, this two-thirds vote requirement does not currently apply to special taxes put on ballot by voter signature gathering.
- This measure would limit voters' ability to pass voter-proposed local special taxes by raising the percentage of votes needed to approve such ballot measures from a majority (over 50%) to two-thirds.
- Applies to voter-proposed ballot measures approved after January 1, 2027.

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

- Possibility that local government tax revenues will not go up as much in the future due to a higher vote threshold for certain taxes.

**FINAL VOTES CAST BY THE LEGISLATURE ON ACA 22 (PROPOSITION 43)
(CHAPTER 132, STATUTES OF 2026)**

Senate:	Ayes 35	Noes 1
Assembly:	Ayes 68	Noes 2

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

BACKGROUND

Local Governments in California.

California has many local governments. These include cities, counties, special districts, and school districts.

Vote Thresholds for Local Taxes.

The State Constitution allows local governments to increase taxes with local voter approval. Tax increases can be put on a ballot by voters or a local governing board (such as a city council or board of supervisors). Increases in some types of local taxes require a two-thirds vote to approve them, while other types of taxes require a majority (more than half) vote to approve them. Some local tax increases are approved permanently, while others are approved for a limited period of time. Before those taxes expire, voters can be asked whether to extend them.

PROPOSAL

Requires Certain Local Taxes Receive Two-Thirds Approval by Voters. Under current law, local taxes that are used for a specific purpose require a two-thirds vote to be approved. These are called special taxes. However, recent court decisions have allowed

special taxes that are *proposed by voters* to be approved with a majority vote. Under Proposition 43, beginning on January 1, 2027, any new, increased, or extended local special taxes proposed by voters would require a two-thirds vote.

FISCAL EFFECTS

Possibility for Lower Local Government Tax Revenues in the Future.

Proposition 43 makes it harder for local governments to pass certain taxes. As a result, local governments' tax revenues could be lower in the future than they otherwise would be. The actual revenue impact is unknown and would depend on future decisions by local governments and voters.

Visit sos.ca.gov/campaign-lobbying/cal-access-resources/measure-contributions/2026-ballot-measure-contribution-totals for a list of committees primarily formed to support or oppose this measure.

Visit fppc.ca.gov/transparency/top-contributors.html to access the committee's top 10 contributors.

★ ARGUMENT IN FAVOR OF PROPOSITION 43 ★

VOTE YES ON PROP. 43: THE LOCAL TAXPAYER PROTECTION ACT

California families are struggling with the highest income, sales, and gas taxes in the nation. Yet politicians and special interests keep pushing higher taxes that make our cost of living even more expensive.

We can't afford to pay ANY MORE in new or higher taxes.

PROP. 43 RESTORES PROPOSITION 13 TAXPAYER PROTECTIONS

Proposition 13 was designed to make it harder to raise taxes, but court decisions created loopholes that allow special interests to impose massive new tax increases by circumventing the taxpayer protections voters approved. Californians are paying billions in new or higher taxes they would not have to pay if it weren't for these loopholes. Prop. 43 closes these loopholes and restores the two-thirds vote requirement to pass local special taxes.

PROP. 43 MAKES IT HARDER TO RAISE YOUR TAXES

Local governments have imposed over 2,000 new or higher taxes in the past decade, including higher sales, property and utility taxes—using the loopholes courts created in Prop. 13 to impose some of the most costly and damaging tax increases Californians face today.

These new and higher taxes make everything we buy or use more expensive, from food and gas to utilities and housing.

Prop. 43 guarantees voters the right to vote on all local taxes and restores the two-thirds vote for special local taxes.

PROP. 43 PROTECTS HOMEOWNERS FROM COSTLY NEW REAL ESTATE TAXES

California already has some of the highest housing costs in America, yet special interests are using court-created loopholes to add new taxes on the sale of homes, apartments and other real estate.

Some cities now charge real estate transfer taxes as high as 6%. For California's median-priced home of \$900,000,

that would cost a homeowner \$54,000 simply for selling their house. Those costs steal homeowners' equity, raise apartment rents, and make building new housing more expensive.

Prop. 43 makes it much harder for special interests to impose these costly taxes on homeowners, renters, and small businesses.

PROP. 43 STOPS THE BAIT-AND-SWITCH TAX TRICKS

Politicians and special interests promise new taxes will fund schools, roads, and public safety—only to divert the money elsewhere and frustrate the will of voters.

Prop. 43 requires governments to spend tax revenue for the specific purpose voters approved and restores the broad voter support required before politicians and special interests impose earmarked tax measures.

If taxpayers are asked to pay more, they deserve the right to vote and the confidence their money will be spent as promised.

PROP. 43 PUTS VOTERS BACK IN CHARGE

Every election, politicians say they need just one more tax increase. Prop. 43 simply ensures TAXPAYERS are fully protected by the right to vote on taxes.

Vote YES on Prop. 43:

- Affirms the voters' right to vote on all new or higher local taxes.
- Restores the two-thirds vote requirement for local special taxes.
- Protects Proposition 13 and closes court-created loopholes.
- Makes it harder for special interests to raise taxes.
- Protects homeowners, renters, and small businesses from new real estate taxes.
- Strengthens accountability for how taxpayer dollars are spent.

Robert Gutierrez, President
California Taxpayers Association

Robert Rivinius, President
Family Business Association of California

Julian Canete, President
California Hispanic Chambers of Commerce

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 43 ★

We all want relief from California's high cost of living. But Proposition 43 doesn't cut your taxes a penny. It attacks something far more valuable: the power of your vote.

PROP. 43 WEAKENS YOUR VOTE.

Today, when local voters decide how to fund their communities, the majority rules. Prop. 43 throws that out, letting just 33.4% of voters veto what nearly 67% want. Under Prop. 43, a NO vote counts twice as much as a YES. That isn't fair, and it isn't democracy.

PROP. 43 DEEPENS THE HOUSING CRISIS.

Across California, communities vote to build affordable homes for working families, seniors, and veterans. They are helping renters stay housed and move people off the streets. Prop. 43 hands a small minority the power to block those solutions, even when a clear majority of your neighbors support them.

PROP. 43 TIES YOUR COMMUNITY'S HANDS.

Prop. 43 makes it harder for you to fund the critical local services your community counts on: staffing fire stations

and 911 response, preparing neighborhoods for wildfire, repairing crumbling roads, keeping schools, parks, and libraries open, and protecting local hospitals and clinics as Washington cuts healthcare funding. When funding is blocked, help arrives slower, classrooms grow more crowded, and communities are left less safe.

KEEP THE POWER WHERE IT BELONGS—WITH YOU AND YOUR NEIGHBORS.

That's why teachers, nurses, firefighters, and housing advocates all oppose Prop. 43.

VOTE NO ON PROPOSITION 43.

www.NoProp43CA.com

Nick Lapis, Director of Advocacy
Californians Against Waste

Bill Barnes, Director of Campaigns & Community
Non-Profit Housing Association of Northern California

Steve Frisch, President
Sierra Business Council

★ ARGUMENT AGAINST PROPOSITION 43 ★

PROPOSITION 43 LIMITS VOTERS' ABILITY TO FUND ESSENTIAL LOCAL SERVICES.

Prop. 43 makes it harder for you to fund critical services like police and fire departments, fix and repair local roads, staff our local schools or backfill federal healthcare cuts. Prop. 43 undermines the voice of voters and the majority vote by letting just one-third of voters (33.4%) block local voter decisions—and it makes it easier for corporate special interests to avoid paying their fair share.

PROP. 43 MAKES IT HARDER TO FUND FIRE AND POLICE SERVICES.

Local police and firefighters can't rely on Sacramento or Washington politicians. These services are funded at the local level. Prop. 43 wants to make it harder for local voters to direct new funding to services like police and fire. Without adequate funding, 911 response times are slower, fire stations sit understaffed, and families wait longer for help when every second counts. When a house fire breaks out—or a wildfire threatens our neighborhoods—that local funding is what protects us. Prop. 43 would let a small minority of voters block it. Even if 66% of voters say yes, Prop. 43 would prevent us from funding desperately needed local services.

PROP. 43 MAKES IT HARDER TO FIX ROADS, FUND SCHOOLS, AND PROTECT HEALTHCARE.

Across California, local voters have come together to repair crumbling roads and improve transportation, to fund their neighborhood schools, and to protect local hospitals and healthcare—especially as Washington cuts federal health funding. These are decisions communities make for themselves, by majority vote. Instead, Prop. 43 hands a small group of voters the power to veto those solutions, even when the majority supports them.

PROP. 43 EMPOWERS 33.4% OF VOTERS OVER THE WILL OF THE MAJORITY.

In America, we believe in one person, one vote—and the majority wins. Prop. 43 throws that out. It empowers just over one-third of voters to block what nearly 67% want. It puts the out-voted minority in charge—even if they are extremists. It makes their NO vote count twice as much as a YES vote.

CORPORATE DONORS BENEFIT. NOT TAXPAYERS.

Under Prop. 43, corporate donors who spend big in elections will benefit most. Right now, voters can hold these corporations and developers accountable at the ballot box, and make them pay their fair share for local needs. Prop. 43 is designed to take that power away—to protect the powerful few, at everyone else's expense.

That's why these organizations are asking you to vote NO on Prop. 43:

• California Professional Firefighters • Californians Against Waste • California Federation of Teachers • California School Employees Association • Communities for a Better Environment • AAPI Force • Non-Profit Housing Association of Northern California • Nurses Alliance of SEIU California • Sierra Business Council

Vote NO to protect your vote and majority rule. Keep the power where it belongs—with you and your neighbors.

VOTE NO ON PROPOSITION 43.

www.NoProp43CA.com

Darrell Roberts, President
California Professional Firefighters

Chris Harkins, Executive Director
Nurse Alliance of SEIU California

Adam Weinberger, President
California School Employees Association

★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 43 ★

VOTE YES ON PROP. 43 TO RESTORE TAXPAYER PROTECTIONS

Californians already pay high taxes. But instead of prioritizing funding for critical services like police and fire, local politicians waste your money on their pet projects—then demand tax increases, claiming the need to fund the most important priorities.

The state Constitution requires a two-thirds vote for taxes earmarked for a specific purpose, but recent court decisions created a loophole that allowed special taxes to pass with fewer votes. Now Californians are paying billions in taxes they should not have had to pay.

Prop. 43 RESTORES the longstanding two-thirds vote requirement for local special taxes, protecting homeowners, renters, and small businesses from costly new sales and parcel taxes, taxes on electricity and gas, and real estate taxes.

Prop. 43 GUARANTEES taxpayers the right to vote on new or higher local taxes and requires governments to spend taxpayer dollars for the specific purposes voters approved—preventing bait-and-switch schemes that make our sky-high cost of living even worse.

Over the last decade, local governments have imposed 2,000 new or higher taxes. Prop. 43 CLOSES LOOPHOLES used to pass some of the most damaging tax increases, restores the protections voters originally approved under Proposition 13, and makes it harder for special interests to raise taxes without broad voter support.

The Legislature's nearly unanimous vote to place Prop. 43 on the ballot sends a clear message: activist courts exceeded voters' intent by creating loopholes that weakened Proposition 13's protections.

Restore your right to vote on ALL local taxes.

VOTE YES ON PROP. 43

Jon Coupal, President
Howard Jarvis Taxpayers Association

Michael Hedges, President
California Small Business Association

Greg Van Dyke, Chairman
California Consumer Advocates for Affordability and Safety

PROPOSITION
44 **REQUIRES COMMUNITY HEALTH CLINICS SPEND 90% OF
REVENUE ON PROGRAM SERVICES. INITIATIVE STATUTE.**

OFFICIAL TITLE AND SUMMARY

PREPARED BY THE ATTORNEY GENERAL

The text of this measure can be found on page 153 and the Secretary of State's website at voterguide.sos.ca.gov.

- Imposes penalties on nonprofit Federally Qualified Health Centers (community clinics providing primary care to medically underserved areas and populations) that spend less than 90% of revenue on "program services" advancing their charitable purpose, including but not limited to patient services. Department of Public Health may waive spending requirements in exceptional circumstances.
- Authorizes Attorney General to publish guidance defining qualifying expenditures.
- Monetary penalties may be refunded if centers become compliant within five years.

- Authorizes criminal charges for false reports or artificially increasing spending ratio.

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

- Increased state costs in the low tens of millions of dollars per year to enforce the new requirements on certain private nonprofit health care clinics, covered by fees charged to the affected clinics.

ANALYSIS BY THE LEGISLATIVE ANALYST

BACKGROUND

Safety Net Clinics Serve Low-Income People. Clinics are places where people can access certain health care services, such as doctor's visits. Many clinics are considered "safety net," as they mainly serve low-income and uninsured people. The care they provide is often low cost or free to patients. There are about 2,000 safety net clinics in California. Most are private nonprofits, and the rest are run by public entities (such as counties).

Clinics Spend Most of Their Revenue on Health Care Services. Clinics spend most of their revenue on providing health care to patients. They also have other expenses, such as administrative costs.

Each year, private nonprofit safety net clinics in California report their revenues and expenses to the federal government and the state. These clinics currently report spending an average of about 80 percent of their revenue on providing health care services, though the percent varies across clinics.

PROPOSAL

Sets Minimum Spending on Health Care at Private Nonprofit Safety Net Clinics. Proposition 44 requires private nonprofit safety net clinics to spend at least 90 percent of their total revenue each year on providing health care services. This means that spending on other expenses, such as administrative costs, would be limited to

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

no more than 10 percent of revenue. The California Attorney General would define in more detail which kinds of expenses are related to providing health care services, and which are other expenses, using existing reports to the federal government as a starting point. Affected clinics could ask the state for a temporary waiver of the requirements in some cases.

Creates Penalty for Falling Short of Minimum. Proposition 44 requires affected clinics to pay a penalty to the state if they fall short of the new health care spending minimum. The penalty would equal the amount of spending needed to reach the 90 percent minimum. Clinics could get their money back if they comply with the spending requirements within five years. If clinics do not comply within five years, the state would keep the money and spend it on clinic workforce programs.

FISCAL EFFECTS

Creates State Enforcement Costs. Under Proposition 44, the state would enforce the new requirements on private nonprofit safety net clinics. This includes reviewing financial reports and investigating affected entities. State enforcement costs would be in the low tens of millions of dollars per year. The proposition directs the state to cover the costs by charging fees on affected clinics.

Could Have Other Uncertain Costs.

Proposition 44 could create other costs for the state and local governments. These costs are uncertain. They depend on (1) how the state Attorney General would define health care-related expenses and (2) whether affected clinics would meet the spending minimum. For example, affected clinics might spend more on direct health care services to comply with the requirement, which could increase state costs. This is because some of these services would be for patients in Medi-Cal, the state's program that provides health care coverage for low-income Californians. Some clinics that could not meet the minimum spending requirement might close instead. This would create other uncertain effects on state and local costs.

Visit sos.ca.gov/campaign-lobbying/cal-access-resources/measure-contributions/2026-ballot-measure-contribution-totals for a list of committees primarily formed to support or oppose this measure.

Visit fppc.ca.gov/transparency/top-contributors.html to access the committee's top 10 contributors.

★ ARGUMENT IN FAVOR OF PROPOSITION 44 ★

VOTE YES ON PROP. 44 TO PUT PATIENTS FIRST AND HOLD CLINICS ACCOUNTABLE.

California's community health clinics receive billions of taxpayer dollars to provide care for people who need it most. Yet some clinics spend less than half of their funding on patient care and services, while large portions of their revenue go to bloated CEO salaries and other wasteful spending. As a result, patients wait months for appointments and healthcare workers struggle with staffing shortages, outdated equipment, and limited resources.

WHY PROP. 44 IS NEEDED

Community health clinics receive taxpayer funding for one purpose: to provide primary care, mental health services, dental care, prenatal care, vaccinations, and other essential services to millions of children, seniors, working families, and Californians with disabilities. Without access to these clinics, many patients would not get the care they urgently need. But some clinic CEOs are misusing taxpayer dollars by diverting millions to inflated executive salaries and other non-essentials.

With massive federal healthcare cuts expected to eliminate billions in funding for California's healthcare system, community clinics will be among the hardest hit. Clinics may be forced to reduce services, lay off staff, or even close their doors. That means every healthcare dollar matters more than ever. California taxpayers can't afford to waste resources that should be helping patients receive timely, high-quality care.

PROP. 44 DIRECTS HEALTHCARE DOLLARS TO PATIENT CARE

Proposition 44 is simple. It requires community health clinics to spend at least 90% of their revenue on their non-profit mission—patient

care and the services that make care possible. That could include medical visits, mental health care, dental care, medications, medical equipment, transportation, language interpretation, care coordination, outreach, and other services that serve the clinics' charitable healthcare mission.

What *doesn't* count towards the 90%: excessive CEO pay, lavish events, bloated overhead, and other spending that takes resources away from the clinic's core mission of caring for patients.

PROP. 44 HOLDS CLINICS ACCOUNTABLE

Proposition 44 will increase transparency by requiring clinics to publicly report how healthcare dollars are spent, so patients and taxpayers can hold them accountable. Currently, there are hundreds of millions of dollars in the clinic system that are not being spent on the core mission of patient care. Prop. 44 will make sure those healthcare dollars go where they can do the most good.

This measure does not cut clinic funding or reduce services patients rely on. Clinics that meet the standard keep every dollar, and even clinics that fall short can recover any penalties by coming into compliance. Unrecovered penalties, if any, are redirected to recruiting, training, and retaining the healthcare workers our clinics desperately need. Every dollar stays in the healthcare system—prioritized for patient care instead of excessive overhead.

Join healthcare workers, patients, and Californians who believe accountability strengthens our healthcare system.

VOTE YES ON PROP. 44 TO PUT PATIENTS FIRST.

Shawna Brown, Initiative Proponent

Brisa J. Barrera, Community Clinic Worker

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 44 ★

PROP. 44 IS A DANGEROUS SPECIAL INTEREST MEASURE THAT THREATENS CARE FOR MILLIONS

Make no mistake: Prop. 44 is *not* about resources for patient care. Prop. 44 is a dangerous measure *written and funded entirely by one special interest that threatens* access to care for millions. Prop. 44 imposes unworkable restrictions that actually *prevent* community clinics from providing the care patients need.

NURSES, DOCTORS AND PATIENT ADVOCATES ALL AGREE: PROP. 44 WILL HURT PATIENTS. Prop. 44 will:

- Cut billions from health clinics every year.
- Force clinics to shut down and cut services.
- Eliminate care for millions.
- Send more patients to hospital ERs—increasing wait times for all families.

PROP. 44 IS UNNECESSARY. COMMUNITY CLINICS ARE STRICTLY REGULATED.

Community clinics are heavily regulated, with strict rules requiring resources be spent on patient care and serving their communities. Federal and state laws require regular audits and public reporting of clinic spending. Every community clinic is not-for-profit—led by a board that includes patients—requiring funds to be spent on patient care and community benefits—not corporate profits.

SPECIAL INTERESTS PUSHING PROP. 44 ARE USING PATIENTS AS PAWNS

Prop. 44 is a shameful power play by one special interest abusing the ballot measure process to gain political leverage over health clinics. This same special interest has spent \$140 million pushing dozens of harmful ballot measures against hospitals, clinics and physicians, including three unsuccessful dialysis propositions that voters overwhelmingly rejected.

JOIN PATIENTS, NURSES, DOCTORS, AND COMMUNITY LEADERS: NO ON PROP. 44.

Prop. 44 is opposed by:

- American Academy of Pediatrics CA • California School Nurses Organization • California Medical Association • American College of Obstetricians & Gynecologists District IX • Planned Parenthood Affiliates of CA • American College of Emergency Physicians CA • California Academy of Family Physicians

www.NoProp44.com

Brent K Sugimoto, MD, FAFAP, President-Elect
California Academy of Family Physicians

Kelly McCue, MD, Immediate Past Chair
American College of Obstetricians & Gynecologists District IX

Susanne J. Spano, MD, FACEP, President
American College of Emergency Physicians, California Chapter

★ **ARGUMENT AGAINST PROPOSITION 44** ★

VOTE NO ON PROP. 44: STOP THE ATTACK ON PATIENTS & COMMUNITY HEALTH CLINICS

Prop. 44 is a dangerous, poorly drafted measure that would threaten care for millions of California patients.

Prop. 44 imposes deeply flawed and unworkable restrictions that prevent community clinics from providing the care patients need.

Economic and health experts warn Prop. 44 will:

- Cut \$1.7 billion from health clinics in the first year alone.
- Cause 88% of all clinics in the state to operate at a loss.
- Force thousands of clinics throughout the state to cut back patient services or shut down entirely.
- Eliminate care for millions of Californians.
- Send more patients to hospital emergency rooms—increasing wait times for all families.

PROP. 44 ARBITRARILY RESTRICTS SPENDING ON VITAL PATIENT SERVICES

Prop. 44 is so poorly written that it restricts clinics from spending resources on essential staff and services, including nurse managers, physician leaders, translation services, insurance assistance and community education. It even restricts clinics from funding mammogram, X-ray and CT machines, information technology and expanding or upgrading clinics.

PROP. 44 DECIMATES THE HEALTH CARE SYSTEM AND HURTS ALL PATIENTS

Community health clinics provide primary care, prenatal care, urgent care, mental and behavioral health services, telehealth, and dental services. They operate school-based health clinics that care for hundreds of thousands of children.

Community clinics serve 1 in 4 Medi-Cal patients, the uninsured, working families, seniors, veterans, and children. In many rural and medically underserved communities, community health clinics are the only source of care within hundreds of miles.

Prop. 44 will make our bad healthcare problems even worse—increasing patient wait times and eliminating the only source of care for many patients.

PROP. 44 IS UNNECESSARY. COMMUNITY CLINICS ARE STRICTLY REGULATED.

Community clinics are already heavily regulated by the federal and state governments, with strict funding rules on patient care and essential services, and regular mandatory public audits. All clinics

are overseen by patient board members, to ensure care is focused on community needs. And clinics are non-profits legally required to focus resources on patient services and community benefits.

PROP. 44 OPPOSED BY PATIENTS, NURSES, DOCTORS AND COMMUNITY LEADERS

"Prop. 44 will eliminate the only source of care in many communities. Please vote NO."—Kim Yu, MD, FAAFP, President, California Academy of Family Physicians

"Community clinics are a lifeline for my family and millions across California. Please, protect patients like me. Reject Prop. 44."—Carmen Huertero, Clinic Patient, San Marcos, CA

"Prop. 44 threatens women's access to healthcare at a time when it's already under attack. Vote No."—Jodi Hicks, President & CEO, Planned Parenthood Affiliates of California

"By shutting down clinics, Prop. 44 will force millions of patients into already overcrowded emergency rooms—increasing wait times for everyone."—Susanne J Spano, MD, FACEP, President, American College of Emergency Physicians, California

"Prop. 44 threatens to shut down hundreds of school-based clinics that provide primary care, vaccinations, health screenings and mental health services for tens of thousands of children. Vote NO."—Katie Nilsson, RN, President, California School Nurses Organization

Prop. 44 Opposed By:

- American Academy of Pediatrics, California
- California School Nurses Organization
- California Medical Association
- California Primary Care Association, representing thousands of community health centers and clinics
- American College of Obstetricians & Gynecologists District IX
- Planned Parenthood Affiliates of California
- National Association of Social Workers, California Chapter
- American College of Emergency Physicians, California
- California Academy of Family Physicians

www.NoProp44.com

Eric Ball, MD, FAAP, President
American Academy of Pediatrics, California

Katie Nilsson, RN, President
California School Nurses Organization

René Bravo, M.D., President
California Medical Association

★ **REBUTTAL TO ARGUMENT AGAINST PROPOSITION 44** ★

DON'T BE FOOLED BY SCARE TACTICS.

Highly paid clinic executives want you to believe this measure will close clinics, eliminate services, and hurt patients. Those claims are false.

PROP. 44 PROTECTS PATIENT CARE—IT DOESN'T CUT IT.

Proposition 44 simply requires that 90% of clinic revenue be spent on clinics' non-profit mission: patient care and services that support care. This CAN INCLUDE: Transportation, language interpretation, care coordination, community outreach, nurse managers and clinical staff, medical equipment and information technology, and mental health, dental, and preventative care. The opposition falsely claims these services would be cut, but Prop. 44 is designed to protect spending that serves patients.

PROP. 44 PREVENTS PRECIOUS RESOURCES FROM BEING DIVERTED AWAY FROM PATIENT CARE

Prop. 44 seeks to reduce spending on: Excessive CEO pay, lavish events, expensive consultants, and unnecessary administrative

spending. That means healthcare dollars would go where they belong: Caring for patients.

WHY ARE CLINIC EXECUTIVES FIGHTING ACCOUNTABILITY?

The campaign against Prop. 44 is funded by the same highly paid clinic executives who benefit from the current system. If today's oversight were enough, some clinics wouldn't be spending less than half of their funding on patient care and services. The real threat to clinics isn't accountability, it's devastating federal healthcare cuts. Patients can't afford to see precious funding spent on excessive CEO compensation and other non-essentials while they wait months for appointments and healthcare workers struggle with understaffing and limited resources.

PUT PATIENTS FIRST, NOT CLINIC CEOS.

Vote YES on Proposition 44.

Shawna Brown, Initiative Proponent

Brisa J. Barrera, Community Clinic Worker

PROPOSITION
45 MODIFIES ENVIRONMENTAL REVIEW FOR CERTAIN PROJECTS.
INITIATIVE STATUTE.

OFFICIAL TITLE AND SUMMARY

PREPARED BY THE ATTORNEY GENERAL

The text of this measure can be found on page 157 and the Secretary of State's website at voterguide.sos.ca.gov.

- Amends California Environmental Quality Act (CEQA) to expedite environmental review for specified project categories (including most housing, transportation, water, health, wildfire mitigation, educational facility, internet access, and clean energy projects). For these types of projects, this measure:
 - Sets deadlines for public agencies to complete environmental review and take required actions.
 - Allows expedited review of environmental impacts, limiting public agencies' current obligation to consider a range of feasible project alternatives to reduce environmental impacts.
 - Establishes deadlines for filing and resolving lawsuits challenging project approvals; limits evidence courts may consider and relief courts can order.

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

- Initial costs for state and local governments, likely in the high tens of millions of dollars annually—potentially exceeding \$100 million annually—to implement new project review and court challenge procedures for eligible projects. Fees paid by project applicants and people filing lawsuits would partly cover these costs.
- In the longer term, uncertain, but potentially more significant positive or negative fiscal effects for state and local governments. The overall effect depends, in part, on how the new procedures change the number of eligible projects that get built and whether those projects have different environmental impacts.

ANALYSIS BY THE LEGISLATIVE ANALYST

BACKGROUND

State Law Requires Government Agencies to Review the Environmental Impacts of Proposed Projects. State and local government agencies are responsible for reviewing and approving certain projects before they can be built. As part of this process, the California Environmental Quality Act (CEQA) requires an agency to consider how a project might negatively affect the environment before approving it. CEQA applies to many types of public

and private projects, such as housing developments, school facilities, and highway expansions. Some exceptions apply. For example, state law exempts certain housing developments located near public transit from needing a CEQA review.

How the CEQA Process Works. The government agency first determines if CEQA applies to a project. If so, it then determines if the project could significantly affect the environment

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

and if those impacts could be avoided or reduced with minor changes to the project. If making minor changes cannot avoid or reduce significant impacts, the agency must do a more detailed review called an environmental impact report (EIR). (The majority of projects do not require an EIR; however, EIRs are somewhat more common for large and complex projects.) The EIR analyzes possible environmental impacts the project could cause and considers alternatives that could reduce those impacts. After finishing the environmental review, the agency decides whether to approve the project. At certain times during this process, the government agency must seek and consider comments about the project's environmental review from the public and other government agencies.

People Can Sue the Government Agency About Its CEQA Review. After a government agency has completed the CEQA review and decided whether to approve a project, people who think the agency did not follow the CEQA process correctly can sue the agency. For example, a project opponent might argue that the environmental analysis was inadequate. If the court finds that the agency did not follow CEQA correctly, it can stop the whole project and require the agency to fix the part of the process that was problematic.

Many Projects Also Need to Get Other Approvals. Besides CEQA review, many projects need approval or permits from other local and/or state government

agencies before they can proceed. For example, a business that wants to build a health clinic might need the local government to change land use rules before it can proceed. It also may need state agencies to review and approve how the project might affect certain wildlife species and water quality.

PROPOSAL

Proposition 45 creates new procedures for reviewing certain types of projects that it defines as "essential." Figure 1 lists the types of projects eligible for the new procedures. The proposition (1) tightens time limits for CEQA review, permits, and court challenges; (2) changes parts of the CEQA review process; and (3) changes the court's review process for CEQA lawsuits. The proposition gives eligible project applicants the option of using the new procedures or existing procedures.

Figure 1

Types of Projects Eligible to Use Proposition 45's New Procedures

- Housing.
- Water system (not including Delta conveyance facilities).
- Clean energy (not including nuclear power).
- Health facility, clinic, and medical office building.
- Fire, police, and sheriff's stations.
- Wildfire risk reduction.
- Broadband Internet access.
- Education facility.
- Transportation (not including high-speed rail).

Tightens Time Limits for Review and Court Challenges of Eligible Projects. Proposition 45 creates more binding time limits for state and local governments to do both CEQA and permitting reviews.

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

This includes time limits for determining if a project application is complete, finishing the EIR, and granting other types of approvals and permits. For example, Proposition 45 allows an applicant to request an agency hearing—and potentially file a lawsuit with the courts—if an agency does not meet the 365-business-day time limit for finishing the EIR. The proposition also creates a time limit for courts to resolve legal challenges.

Changes CEQA Review for Eligible Projects. For eligible projects, Proposition 45 makes several changes to the CEQA review process, including:

- **Application Process.** Requires the government agency to specify all information that must be included in an application before it is submitted. (Current law allows agencies to repeatedly request additional information or project changes.)
- **How Environmental Impacts Are Assessed.** Requires the agency to assess potential environmental impacts based on the laws and standards in place at the time the project application is submitted. (Current law lets the agency consider new information and revise its review standards when doing the EIR.)
- **Project Alternatives.** Allows the applicant to develop only one project alternative for the agency to consider. (Current law requires the agency—not the applicant—to develop and consider multiple project alternatives that could

reduce environmental impacts.)

- **Consultation With Native Tribes.** Requires the agency and applicant to consult about the project only with California native tribes that have been formally recognized by the federal government. (Current law requires consultation with a wider range of tribes.)
- **Public Comment Periods.** Limits how long the agency can accept comments from the public and other government agencies about the project. (Current law sets a minimum number of days—not a maximum—for public review.)

Changes How Courts Review Challenges to Eligible Projects. Proposition 45 makes several changes to the court’s review process when someone challenges a government agency’s approval of an eligible project. For example, it reduces the scope of what the court can consider in CEQA lawsuits. The proposition also prevents the court from stopping the whole project if it finds that the agency did not follow CEQA correctly. Instead, the court can only stop the part of the project where the environmental review did not comply with CEQA while the agency fixes the problem.

FISCAL EFFECTS

Initial Costs for State and Local Governments. During the first several years, Proposition 45 likely would increase costs for the state and local governments, including state courts. These costs likely would be in the **high tens of millions of**

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

dollars annually, potentially exceeding \$100 million annually. For example, state and local governments would have costs to develop new guidelines and standards for reviewing eligible projects' environmental impacts, meet tighter time limits, and address court challenges. Fees paid by project applicants and people filing lawsuits would cover some of these costs. After this initial period, while some costs could continue, others likely would decline over time. For example, the changes to how courts can review CEQA lawsuits could mean fewer people will sue in the future, which could reduce costs for agencies and state courts in the long term.

In the Longer Term, Uncertain but Potentially More Significant Fiscal Effects. Proposition 45's changes to project review and court challenge procedures for eligible projects could have various fiscal effects for state and local governments. The overall fiscal effect of these changes—positive or negative—is uncertain but could be more substantial than the near-term effects. For example, two effects that could have significant but uncertain impacts are:

- ***More Projects and Faster Timing.*** To the degree that Proposition 45's changes to project review and court

challenge procedures lead to eligible public projects being constructed more quickly, state and local governments likely would have lower project costs. Additionally, if the proposition's changes result in more projects being completed overall, it could lead to an increase in tax revenues, such as from property taxes.

- ***Negative Environmental Impacts.*** To the degree that Proposition 45's changes to project review and court challenge procedures lead to approval of projects with negative environmental impacts that would not have otherwise occurred, government agencies could face higher costs to respond to those impacts.

Visit sos.ca.gov/campaign-lobbying/cal-access-resources/measure-contributions/2026-ballot-measure-contribution-totals for a list of committees primarily formed to support or oppose this measure.

Visit fppc.ca.gov/transparency/top-contributors.html to access the committee's top 10 contributors.

★ ARGUMENT IN FAVOR OF PROPOSITION 45 ★

LENGTHY DELAYS AND RED TAPE ARE BLOCKING ESSENTIAL PROJECTS & DRIVING UP OUR COST OF LIVING.

Families cannot afford to live in California because we are failing to deliver the basics. California's outdated system for approving essential housing, water, clean energy, roads, schools, hospitals, and wildfire prevention projects is too slow, too bureaucratic, and too costly—driving up the cost of living for everyone.

Endless delays, red tape, and frivolous lawsuits make life more expensive and block the projects Californians need—driving up costs for housing, electricity, and water; wasting taxpayer dollars; worsening wildfire risk; increasing traffic; overcrowding schools; and delaying hospital and infrastructure upgrades.

PROP. 45 LOWERS OUR HIGH COST OF LIVING BY MAKING IT FASTER & LESS EXPENSIVE TO BUILD ESSENTIAL PROJECTS.

Prop. 45 streamlines approvals by setting enforceable timelines for project approvals; requires courts and government agencies to base decisions on the laws and regulations in place when the project application is submitted; and creates a faster, more predictable process for legal challenges while reducing frivolous lawsuits.

PROP. 45 STREAMLINES CALIFORNIA'S MOST-PRESSING ESSENTIAL PROJECTS, INCLUDING:

- Water quality and supply projects • Hospitals and healthcare facilities • Housing, including homes and apartments • Wildfire prevention • Schools and classrooms • Roads, bridges and transit • Clean energy and electric grid reliability infrastructure

PROP. 45 WILL:

- **REDUCE THE COST OF HOUSING.** Permitting delays add more than \$75,000 to the cost of a new home. Prop. 45 will help lower rents and mortgages and save families tens of thousands of dollars on a home purchase.
- **LOWER ELECTRICITY COSTS.** Delays in building clean energy and electric grid infrastructure drive up electricity costs for working families. Prop. 45 helps lower electricity costs.
- **PROTECT TAXPAYERS.** Lengthy delays drive massive cost overruns on public projects—roads, schools, hospitals, water systems, and wildfire prevention—costing taxpayers billions more. Prop. 45 cuts costly delays, reduces costs, and helps keep projects on time and on budget.

- **CREATE GOOD-PAYING JOBS AND STRENGTHEN OUR ECONOMY.** Prop. 45 will create tens of thousands of good-paying jobs and billions in economic activity.

PROP. 45 MAINTAINS CALIFORNIA'S STRONGEST-IN-THE-NATION ENVIRONMENTAL PROTECTIONS.

California should not have to choose between protecting the environment and building the essential projects we need. Under Prop. 45, projects must comply with *all* of California strong environmental laws protecting our air, water, wildlife, and health. Prop. 45 *does not* exempt a single project from environmental review.

PROP. 45 PROTECTS COMMUNITY INPUT AND LOCAL DECISION MAKING.

Under Prop. 45, cities and counties retain full authority to approve or deny projects, and residents keep a meaningful voice in decisions affecting their communities.

AFFORDABLE HOUSING ADVOCATES, HEALTHCARE PROFESSIONALS, EDUCATORS, WATER PROVIDERS, CLEAN ENERGY LEADERS AND CIVIL RIGHTS LEADERS SUPPORT PROP. 45.

Prop. 45 is supported by a broad coalition of organizations, including:

- American Clean Power—California • California League of United Latin American Citizens (LULAC) • NAACP California/Hawaii State Conference • California Taxpayers Association • Environmental Policy Innovation Center

YES ON PROP. 45 TO BUILD A MORE AFFORDABLE CALIFORNIA.

Every year of delay means Californians *wait longer* and *pay more* for the essential projects we need. It's time to cut red tape, protect our environment and build the projects California needs to make life more affordable.

VOTE YES ON PROP. 45.

YESonProp45.com

Ann-Louise Kuhns, President
California Children's Hospital Association

Jennifer Capitolo, Executive Director
California Water Association

Jenna Abbott, Executive Director
California Council on Affordable Housing

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 45 ★

PROPOSITION 45 WON'T LOWER YOUR COSTS.

It doesn't require a single project to lower your rent, your mortgage, or your utility bills. 45's corporate funders profit while you bear the cost of their pollution.

PROP. 45 DOESN'T DELIVER AN AFFORDABLE CALIFORNIA. IT LIMITS ENVIRONMENTAL AND PUBLIC REVIEW AND RISKS PUBLIC HEALTH.

Prop. 45 could have been about building what California needs. It isn't. Funded by gas and electric utilities and corporate PACs, Prop. 45 cuts their costs, not yours. Prop. 45 flips California law to protect their projects, harming public health and our air and water.

PROP. 45 PUTS YOUR HEALTH AT RISK AND STICKS YOU WITH THE BILL. Weaker environmental review means more pollution near homes and schools, more asthma and more emergency-room visits. When polluters don't clean up, taxpayers and ratepayers pay more to cover the costs.

PROP. 45 TAKES AWAY PUBLIC INPUT. It limits the environmental review of new projects and your right to provide input and be heard.

45 even gives developers new rights to challenge cities and counties, while making it more difficult for project opponents to successfully challenge an agency's decision.

Prop. 45 rewrites the rules that govern how California protects its citizens from the harm caused by major developments. Prop. 45 weakens environmental safeguards and radically shifts power to corporate polluters.

Protect your air quality, your drinking water, your family's health, your tax dollars, and your right to be heard.

Join nurses, community and public health advocates.

VOTE NO ON PROP. 45.

www.NoProp45CA.com

Chris Tarver, R.N., President
American Nurses Association, CA

Vanessa Forsythe, RN
California Nurses for Environmental Health and Justice

Martha Arguello, Executive Director
Physicians for Social Responsibility, LA

★ ARGUMENT AGAINST PROPOSITION 45 ★

PROPOSITION 45 LIMITS ENVIRONMENTAL AND PUBLIC REVIEW OF PROJECTS BUILT IN YOUR COMMUNITY. VOTE NO ON PROP. 45 TO PROTECT WATER, AIR QUALITY AND PUBLIC HEALTH.

Proposition 45 limits both the environmental review of major new development projects and the public's right to be heard. Prop. 45 lets projects move forward with far less scrutiny of their harms to air, water and public health.

PROP. 45 WEAKENS CRITICAL PROTECTIONS FOR AIR AND WATER QUALITY BY GUTTING THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA).

CEQA is California's most important air and water quality protection law. It requires public agencies to identify, publicly disclose, and consider reducing harm to air, water, and wildlife before approving projects. Prop. 45 eliminates many of CEQA's existing protections—letting developers fast-track the polluting projects you don't want next door, with fewer protections for the water you drink and air you breathe.

PROP. 45 CUTS THE PUBLIC OUT OF DECISIONS THAT AFFECT YOUR FAMILY.

Today, you have a voice in what's built near you and your family. Prop. 45 reduces public agency requirements to consider public comments on proposed projects—comments that often expose potential contamination of air and water, and damage to our coast, rivers, and wildlife. If Prop. 45 passes, decisions about what gets built near your home, your children's school, and your water supply would be made with less information and less public input. Prop. 45 reduces your ability to protect your family and community from harm.

We need CEQA's protections more than ever since federal protections have been weakened.

THEY POLLUTE. YOU PAY.

The nonpartisan Legislative Analyst's Office warns Prop. 45 could approve projects that result in "unintended negative environmental

impacts." When corporations aren't required to reduce their pollution, taxpayers get stuck paying to clean up cancer-causing chemicals from our drinking water and contaminated lands.

PROP. 45 WON'T LOWER YOUR COSTS.

Prop. 45 doesn't include any requirement to lower your housing costs or your utility bills. The corporations paying for Prop. 45 will profit while you keep paying.

WHO'S BEHIND PROP. 45?

Prop. 45 was written by the California Chamber of Commerce and financed by gas and electric utilities and corporate PACs. It gives the polluters and corporations funding Prop. 45 greater freedom to put whatever they want next to your home. Your family's health and environmental quality are more important than corporate profits.

JOIN A BROAD COALITION OF PUBLIC HEALTH, ENVIRONMENTAL, AND COMMUNITY GROUPS OPPOSING PROP. 45, INCLUDING:

• National Wildlife Federation • California Communities Against Toxics • California Environmental Voters • California Environmental Justice Alliance • California Nurses for Environmental Health & Justice • Clean Water Action • Coalition for Clean Air • Physicians for Social Responsibility—Los Angeles

Whether you're a Democrat, a Republican, or an independent, vote NO on Prop. 45 to protect your air and water, your tax dollars, and your right to be heard.

VOTE NO on Prop. 45.

www.NoProp45CA.com.

Joe Lyou, President
Coalition for Clean Air

Jennifer Clary, California Director
Clean Water Action

Matt Abularach-Macias, Political Director
California Environmental Voters

★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 45 ★

PROP. 45 IS THE CHANGE WE NEED TO BUILD A MORE AFFORDABLE CALIFORNIA.

The status quo is failing California. Families cannot afford to live here because we're failing to deliver the basics. Endless delays, lawsuits and red tape are driving up the cost of essentials—housing, water, electricity, schools, roads, healthcare and wildfire protection.

We have a choice: accept the failing status quo—or fix it.

PROP. 45 FIXES OUR BROKEN PROJECT APPROVAL SYSTEM by eliminating unnecessary delays for essential projects—lowering our cost of living and improving our quality of life.

PROP. 45's OPPONENTS ARE MISLEADING VOTERS TO PROTECT THE BROKEN STATUS QUO.

The same opponents fighting Prop. 45 have spent decades using these same scare tactics to block even modest reforms. They're fighting to preserve the broken status quo that's making California unaffordable and lowering our quality of life.

WE DON'T HAVE TO CHOOSE BETWEEN PROTECTING THE ENVIRONMENT AND BUILDING ESSENTIAL PROJECTS.

• **FACT:** Prop. 45 maintains every federal, state and local environmental law protecting our air, water, wildlife, and public health, including the Clean Air Act and Clean Water Act.

• **FACT:** Prop. 45 does not eliminate a *single* environmental law or exempt a *single* project from environmental review.

• **FACT:** Communities keep their voice. Residents maintain their right to provide public comments, oppose projects, and sue to stop projects.

• **FACT:** Prop. 45 *only applies to essential projects*: water, hospitals, housing, schools, roads, transit, clean energy, and wildfire prevention.

THE CHOICE IS SIMPLE: accept the broken status quo—or fix it.

VOTE YES ON PROP. 45 TO BUILD A MORE AFFORDABLE CALIFORNIA.

Ann-Louise Kuhns, President
California Children's Hospital Association

Ruben Grijalva, Former California State Fire Marshal
CAL FIRE

Robert Rivinius, President
Family Business Association of California

OVERVIEW OF STATE BOND DEBT

PREPARED BY THE LEGISLATIVE ANALYST

This section describes the state's bond debt. It also discusses how the bond measures 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 borrow money. The state government uses bonds primarily to pay for infrastructure projects that have a long useful life, such as bridges, dams, prisons, parks, schools, and office buildings. The state sells bonds to investors to receive up-front funding for these projects and then must repay the investors over a period of time, typically a couple of decades. This is very similar to the way a family pays off a mortgage on their home.

What Are the Costs of Bond Financing?

The state's total cost for a project is more if it pays with bonds than if it pays up front with money it already has. This is because it has to pay interest on the bonds. The amount of additional cost depends on the interest rate and how long it takes to repay the bonds. For example, if the state uses a 30-year bond with a 4 percent interest rate to pay for a project, the total cost is about 15 percent more (after adjusting for inflation) than if the state paid up front with money it already has.

Most Bonds Must Be Approved by Voters. The State Constitution requires that most new bonds be approved by voters. These bonds usually are repaid from the state General Fund. (The General Fund is the account the state uses to pay for most public services,

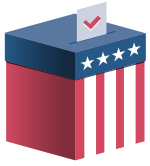
including education, health care, and prisons.)

Bonds and State Spending

Current Amount of Bond Debt. The state currently is repaying about \$80 billion of bonds from the state General Fund. In addition, the voters and the Legislature previously have approved about \$40 billion of General Fund-supported bonds that have not yet been sold. Most of these bonds are expected to be sold in the next several years. The state currently is paying about \$6 billion each year from the General Fund to repay bonds. The state will continue to pay a similar amount over the next few years. This is about 3 percent of the state's annual General Fund revenue, which is lower than the historical average of about 4 percent.

This Election's Impact on Debt Payments. There are two General Fund-supported bond measures on this ballot: Proposition 1 and Proposition 38. Proposition 1 would allow the state to borrow \$10 billion for affordable housing programs. The cost to repay this bond would be about \$500 million to \$600 million each year for 25 years. Proposition 38 would allow the state to borrow \$8.4 billion for immunology and immunotherapy research. The cost to repay this bond would be about \$500 million to \$600 million each year for 20 years. The cost to repay both bonds would total about \$1 billion each year, which is about one-half of 1 percent (0.5 percent) of the state's annual General Fund revenue.

DATES TO REMEMBER!



Don't Delay, Vote Today!

Return your ballot as soon as you receive it.

Vote-by-mail early voting period opens **October 5, 2026**.

Polls are open from 7:00 a.m. to 8:00 p.m. on **November 3, 2026, 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

County elections officials will begin mailing ballots on or before this date.

October 5–November 3

Voting period to return ballot.

October 6

Secure ballot drop boxes open.

October 19

Last day to register to vote. Same day voter registration is available at your county elections office or voting location after the voter registration deadline, up to and including Election Day.

October 24

First day vote centers open in Voter's Choice Act counties for early in-person voting.

October 31

In-person early voting locations throughout California will be open on Saturday, October 31. Visit caearlyvoting.sos.ca.gov to find locations and voting hours.

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					

Tuesday, November 3, 2026

Last day to vote in-person or return a ballot by 8:00 p.m.

Polls are open from 7:00 a.m. to 8:00 p.m.

Mail your ballot back as soon as possible after you receive it. To be counted, your ballot must be postmarked no later than Election Day. We recommend mailing it at least 7 days before Election Day. If you mail it closer to Election Day, take it to a United States Post Office and ask a postal employee for a manual postmark.

November 10

Last day counties can receive vote-by-mail ballots postmarked by Election Day.

November 25

Last day to correct ballot envelope signature issues by 5:00 p.m.



www.sos.ca.gov/elections/studentmockelection



Intended for Student Mock Election Purposes Only
