



November 5 Statewide Ballot Measures

Proposition Number	Title (As assigned by the Secretary of State)	Description	Fiscal Impact	Referred to CSAC Policy Committee
Proposition 2	Kindergarten Through Grade 12 Schools and Local Community College Public Education Facilities Modernization, Repair, and Safety Bond Act of 2024	This bond measure would allow the state to borrow \$10 billion to fund repairs and upgrades for K-12 schools and community colleges.	The Legislative Analyst's Office is currently drafting their analysis on the bond measures, developing an expert understanding of the fiscal impact of these bonds and what the future debt serving will look like.	N/A
Proposition 3	Marriage equality	Currently, the California Constitution only recognizes marriages between a man and a woman. This measure would revise this provision to instead provide that marriage is a fundamental right. The original provision has not been enforceable since the United States' Supreme Court's decision in Obergefell v. Hodges in 2015 that requires all states to recognize and grant same-sex marriages.	According to the Senate Appropriations Committee, this measure is estimated to result in minimal and absorbable one-time costs for the SOS for printing and mailing expenses associated with placing the measure on the ballot. There are no immediate anticipated fiscal impacts to local governments as a result of this measure.	N/A
Proposition 4	The Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024	This bond measure would allow the state to borrow \$10 billion to fund climate and environmental projects. The bond would support projects that provide clean water, enhance water recycling facilities, and add to California's ground water storage. This bond will also create new parks, protect wildlife and habitats, fight air pollution, address extreme heat and fund sustainable agriculture.	The Legislative Analyst's Office is currently drafting their analysis on the bond measures, developing an expert understanding of the fiscal impact of these bonds and what the future debt serving will look like.	Agriculture, Environment, and Natural Resources
Proposition 5	Local government financing: affordable housing and public infrastructure: voter approval	Proposition 5, as amended via ACA 10, would reduce vote requirements for general obligation bonds financing affordable housing, permanent supportive housing, or public infrastructure, as defined, and any associated ad valorem taxes needed to pay the interest and redemption charges on bonded indebtedness. The original version of this measure would have reduced vote requirements for special taxes to raise revenue for those same categories.	According to the Assembly Appropriations Committee, this measure is estimated to result in minimal and absorbable one-time costs for the SOS for printing and mailing expenses associated with placing the measure on the ballot. There are no immediate anticipated fiscal impacts to local governments as a result of this measure.	Government Finance and Administration
Proposition 6	Slavery	Slavery and involuntary servitude are currently prohibited under the California Constitution, except unless used as a punishment for a crime. If approved by voters, Proposition 6 would prohibit slavery and involuntary servitude beginning January 1, 2025. This measure also ensures that the Department of Corrections and Rehabilitation (CDCR) shall not discipline an incarcerated person for refusing a work assignment but would allow CDCR to continue to award credits to those who voluntarily accept a work assignment. AB 628 (Wilson), a companion bill to this measure, would ensure that compensation levels for work conducted in state prison are set by regulations promulgated by the Secretary of CDCR, and for work conducted in county jails, set by local ordinance. AB 628 only becomes operative should Proposition 6 be approved by the voters in November.	According to the Senate Appropriations Committee, this measure has unknown, but potentially significant ongoing state costs (General Fund) to CDCR as a result of prohibiting involuntary servitude in state prisons. This measure also has unknown, but potentially significant non-reimbursable ongoing local costs (local funds) for local correctional facilities as a result of prohibiting involuntary servitude in local jails.	N/A



November 5 Statewide Ballot Measures

Proposition Number	Title (As assigned by the Secretary of State)	Description	Fiscal Impact	Referred to CSAC Policy Committee
Proposition 32	Raises Minimum Wage	If passed, this measure will make changes to the annual scheduled minimum wage increases. These increases would be extended until the minimum wage reaches \$18.00 per hour.	According to the Legislative Analyst Office, it is unclear what the change in annual state and local tax revenues would be, likely between a loss of a couple billion dollars and a gain of a few hundred million dollars. Increase in annual state and local government costs likely between half a billion dollars and a few billion dollars.	N/A
Proposition 33	Expands Local Governments Authority to Enact Rent Control on Residential Property	The Costa-Hawkins Rental Housing Act of 1995 limits cities and counties from enacting initial rental rate limits for new tenants in all types of housing. This measure would repeal this law, granting cities and counties the right to establish, maintain, enact or expand residential rent control ordinances.	According to the Legislative Analyst Office, this measure may result in a potential reduction in state and local revenues in the high tens of millions of dollars per year over time. Depending on actions by local communities, revenue losses could vary.	N/A
Proposition 34	Restricts Spending by Health Care Providers Meeting Specified Criteria	This measure will mandate certain health care providers spend 98% of revenues from federal discount prescription drug on direct patient care. Those not in compliance with the law will be penalized by revoking their license and tax-exempt status.	According to the Legislative Analyst Office, this measure will result in increased costs to state, potentially up to the millions of dollars annually, to review entities' compliance with the measure and enforce the measure's provisions. These costs would be covered by fees created under the measure. Uncertain fiscal impacts to state and local government health programs, depending on how the affected entities respond to the measure's requirements.	N/A
Proposition 35	Provides Permanent Funding For Medi-Cal Health Care Services	The Managed Care Organization (MCO) tax is a tax on managed care organizations based on health insurance enrollment in the Medi-Cal program and in the commercial sector. The 2023 Budget Act, in addition to federal approval, authorized the MCO tax from April 2023 to December 2026. The MCO tax revenues offset General Fund spending in the existing Medi-Cal program and support program augmentations. This initiative would make the MCO tax permanent, subject to federal approval, and would limit the structure of the tax, and would establish specific uses for the tax revenue.	According to the Legislative Analyst Office, this measure will have uncertain overall impact on state revenues and spending, including reduced legislative flexibility over the use of MCO tax funds. The extent of this impact depends on whether the measure would result in different state decisions around imposing, structuring, and spending proceeds from the managed care organization tax than in the absence of the measure.	Health and Human Services
Proposition 36	Allows Felony Charges and Increases Sentences for Certain Drug and Theft Crimes	This measure attempts to make targeted reforms to Proposition 47 of 2014 which made possession of certain drugs and thefts under \$950 chargeable only as misdemeanors. For those with two prior drug or two prior theft convictions, this would make those drug possessions and theft crimes eligible for felony classification.	According to the Legislative Analyst Office, this measure will result in increased state criminal justice system costs potentially in the hundreds of millions of dollars annually, primarily due to an increase in the state prison population. Some of these costs could be offset by reductions in state spending on local mental health and substance use services, truancy and dropout prevention, and victim services due to requirements in current law. Increased local criminal justice system costs potentially in the tens of millions of dollars annually, primarily due to increased court-related workload and a net increase in the number of people in county jail and under county community supervision.	Administration of Justice