



DEBRA BOWEN

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Secretary of State Bowen Assigns Numbers to November Ballot Measures, Invites Ballot Arguments

SACRAMENTO – Secretary of State Debra Bowen today assigned proposition numbers to the six measures set to appear on the November 4 General Election ballot and invited interested Californians to submit arguments to be considered for inclusion in the Secretary's Official Voter Information Guide. The voter guide, also known as the ballot pamphlet, is mailed to every voting household in California and posted on the Secretary of State's website. The full text and nonpartisan analysis of each proposition will also appear in the voter guide.

The six propositions for the November 4 ballot are listed below, along with the Legislative Counsel's digest or Attorney General's title and summary.

Proposition 43

Safe, Clean, and Reliable Drinking Water Supply Act of 2012: submission to voters. AB 1422 (Chapter 74, 2012). Existing law creates the Safe, Clean, and Reliable Drinking Water Supply Act of 2012, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$11,140,000,000 pursuant to the State General Obligation Bond Law to finance a safe drinking water and water supply reliability program. Existing law provides for the submission of the bond act to the voters at the November 6, 2012, statewide general election. This bill would instead provide for the submission of the bond act to the voters at the November 4, 2014, statewide general election. This bill would declare that it is to take immediate effect as an urgency statute and an act calling an election.

Proposition 44

State reserve policy. ACx2 1 (Resolution Chapter 1, 2014). Existing provisions of the California Constitution require the Governor to submit to the Legislature a budget for the ensuing fiscal year within the first 10 days of each calendar year and prohibit the Legislature from sending to the Governor for consideration a Budget Bill that would appropriate from the General Fund a total amount that exceeds General Fund revenues for that fiscal year estimated as of the date of the Budget Bill's passage. This measure would require the Director of Finance to submit estimates of General Fund revenues and expenditures for the ensuing fiscal year and the 3 fiscal years thereafter within 10 days following the submission of a budget by the Governor, following the submission of proposed

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adjustments to the Governor's Budget, as required by statute, and following the enactment of the Budget Bill. Existing provisions of the California Constitution require the Legislature to establish a prudent state reserve fund in an amount the Legislature deems reasonable and necessary. Existing provisions of the California Constitution, approved by the electors on March 2, 2004, additionally establish the Budget Stabilization Account in the General Fund and require the Controller, commencing no later than September 30, 2006, and for each fiscal year thereafter, to transfer from the General Fund to the account a specified percentage of estimated General Fund revenues. Section 8 of Article XVI of the California Constitution (Proposition 98) sets forth a formula for computing the minimum amount of General Fund revenues that the state is required to appropriate for the support of school districts, as defined, and community college districts for each fiscal year. This measure would establish a replacement version of the Budget Stabilization Account, and would require the Controller, commencing with the 2015-16 fiscal year and each fiscal year thereafter, to transfer from the General Fund to the account 1.5% of the estimated amount of General Fund revenues for that fiscal year. Commencing with the 2015-16 fiscal year, this measure would also require the Controller to annually transfer from the General Fund to the account amounts determined pursuant to specified formulae, consisting of General Fund proceeds of taxes derived from personal income taxes paid on net capital gains that exceed a designated level, based on estimates provided in the Budget Act. This measure, for the 2015-16 fiscal year through the 2029-30 fiscal year, would require the Legislature to appropriate 50% of these total amounts for one or more designated fiscal obligations of the state, including accrued school funding obligations, repayment of budgetary loans, payment of accrued claims for mandate costs, and payment of unfunded pension liabilities and prefunding of other postemployment benefits. For the 2030-31 fiscal year and each fiscal year thereafter, this measure would instead authorize the Legislature to appropriate up to 50% of these total amounts for one or more of these designated fiscal obligations of the state. This measure would require the Department of Finance, commencing with the 2015-16 fiscal year, to annually report to the Legislature certain fiscal information necessary to calculate the amount of the transfer from the General Fund to the Budget Stabilization Account for that fiscal year, and would require certain of these estimates to be included in the annual Budget Act. Commencing with the 2017-18 fiscal year, the measure would require the department to provide updated estimates for each of the 2 preceding fiscal years, calculated separately, for the purpose of determining the maximum allowable transfer from the General Fund to the Budget Stabilization

Account for each of these fiscal years. This measure would prohibit the balance in the Budget Stabilization Account from exceeding 10% of estimated General Fund proceeds of taxes. It also would limit the use of funds, that otherwise would be transferred to the account, to appropriation for the funding of infrastructure, as defined in a specified statute, including deferred maintenance. This measure would establish the Public School System Stabilization Account, to provide a reserve for public school funding. Commencing with the 2015-16 fiscal year and pursuant to specified calculations, the Controller would transfer certain moneys from the General Fund into the Public School System Stabilization Account, for subsequent allocation to school districts and community college districts in fiscal years for which the minimum state funding obligation under Proposition 98 falls below specified levels. The measure would prohibit the transfer of moneys into the Public School System Stabilization Account for a fiscal year for which a maintenance factor is created under Proposition 98 or before a previously determined maintenance factor has been fully reimbursed. The measure would also prohibit the transfer of funds into the account in a fiscal year in which provisions of Proposition 98 have been suspended. The funds transferred into the Public School System Stabilization Account under the measure in a fiscal year would be counted toward the state's annual funding obligation for that fiscal year under Proposition 98, rather than in a fiscal year in which those funds are allocated. The measure would authorize the Controller to utilize funds in the account, that he or she determines to be unnecessary to meet foreseeable obligations, to help manage General Fund daily cash flow needs if that use does not interfere with the purpose of the account. Existing provisions of the California Constitution authorize the Governor to issue a proclamation declaring an emergency in specified circumstances. This measure would authorize the Legislature, upon the Governor's proclamation declaring a budget emergency, as described, to enact a statute that returns funds from the Budget Stabilization Account to the General Fund for appropriation to address the budget emergency, appropriates funds in the Public School System Stabilization Account for the support of school districts and community college districts, or suspends or reduces the transfer of funds from the General Fund to the Budget Stabilization Account or the Public School System Stabilization Account. Existing law requires the Secretary of State to submit ACA 4 of the 2009-10 Regular Session, a proposed legislative constitutional amendment relating to state finance, to the voters at the November 4, 2014, statewide general election. This bill would direct the Secretary of State to withdraw ACA 4 from the ballot.

Proposition 45

Approval of Healthcare Insurance Rate Changes. Initiative Statute.

Requires health insurance rate changes to be approved by Insurance Commissioner before taking effect. Requires sworn statement by health insurer as to accuracy of information submitted to Insurance Commissioner to justify rate changes. Provides for public notice, disclosure and hearing on health insurance rate changes, and subsequent judicial review. Does not apply to employer large group health plans. Prohibits health, auto and homeowners insurers from determining policy eligibility or rates based on lack of prior coverage or credit history. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Increased state administrative costs ranging in the low millions to low tens of millions of dollars annually to regulate health insurance rates, funded with revenues collected from filing fees paid by health insurance companies.** (11-0070)

Proposition 46

Drug and Alcohol Testing of Doctors. Medical Negligence Lawsuits. Initiative Statute.

Requires drug and alcohol testing of doctors and reporting of positive test to the California Medical Board. Requires Board to suspend doctor pending investigation of positive test and take disciplinary action if doctor was impaired while on duty. Requires doctors to report any other doctor suspected of drug or alcohol impairment or medical negligence. Requires health care practitioners to consult state prescription drug history database before prescribing certain controlled substances. Increases \$250,000 cap on pain and suffering damages in medical negligence lawsuits to account for inflation. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **State and local government costs associated with higher net medical malpractice costs, likely at least in the low tens of millions of dollars annually, potentially ranging to over one hundred million dollars annually. Potential net state and local government costs associated with changes in the amount and types of health care services that, while highly uncertain, potentially range from minor to hundreds of millions of dollars annually.** (13-0016.)

Proposition 47

Criminal Sentences. Misdemeanor Penalties. Initiative Statute.

Requires misdemeanor sentence instead of felony for petty theft, receiving stolen property, and forging/writing bad checks when value or amount involved is \$950 or less. Requires misdemeanor sentence instead of felony for certain drug possession offenses. Allows felony sentence for these offenses if person has previous conviction for crimes such as rape, murder or child molestation or is a registered sex offender. Requires resentencing for persons serving felony sentences for these offenses unless court finds

unreasonable public safety risk. Applies savings to mental health and drug treatment programs, K-12 schools, and crime victims. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Net state criminal justice system savings that could reach the low hundreds of millions of dollars annually, which would be spent on truancy prevention, mental health and substance abuse treatment, and victim services. Net county criminal justice system savings that could reach the low hundreds of millions of dollars annually.** (13-0060.)

Proposition 48

Referendum to Overturn Indian Gaming Compacts. If signed by the required number of registered voters and timely filed with the Secretary of State, this petition will place on the statewide ballot a challenge to a state law previously approved by the Legislature and the Governor. The law must then be approved by a majority of voters at the next statewide election to go into effect. The law ratifies two gaming compacts (with the North Fork Rancheria of Mono Indians, and the Wiyot Tribe); and it exempts execution of the compacts, certain projects, and intergovernmental agreements from the California Environmental Quality Act. (13-0007)

People may submit arguments for or against any measure. Arguments selected for the Official Voter Information Guide will be on public display between July 22 and August 11. If multiple arguments are submitted for one proposition, state law gives first priority to arguments written by legislators in the case of legislative measures, and first priority to arguments written by proponents of an initiative or referendum in such cases. Subsequent priority for all measures goes to bona fide citizen associations and then to individuals. No more than three signers are allowed to appear on an argument or rebuttal to an argument.

Ballot arguments cannot exceed 500 words and rebuttals to ballot arguments cannot exceed 250 words. All submissions should be typed and double-spaced. Arguments may be hand-delivered to the Secretary of State's Elections Division at 1500 11th Street, 5th Floor, Sacramento, California 95814; faxed to (916) 653-3214; or emailed to VIGarguments@sos.ca.gov. If faxed or emailed, the original documents must be received within 72 hours. The deadline to submit ballot arguments is July 8 by 5:00 p.m. The deadline to submit rebuttals to the ballot arguments is July 17 by 5:00 p.m.

Secretary Bowen also invited candidate statements for inclusion in the Official Voter Information Guide. Candidates for statewide constitutional office (Governor, Lieutenant Governor, Attorney General, Insurance Commissioner, Controller, Secretary of State, Treasurer, Superintendent of Public Instruction and Board of Equalization member) who have agreed to

accept the voluntary campaign spending limits under the law may buy space for statements of up to 250 words at 25 dollars per word. The deadline to submit candidate statements to the Secretary of State's office is July 16 by 5:00 p.m.

For more election deadlines and information on ballot measures, go to www.sos.ca.gov/elections/statewide-elections/2014-general.

To view past state voter guides, go to www.sos.ca.gov/elections/ballot-measures/voter-information-guides.htm.

Keep up with the latest California election news and trivia by following **@CASOSvote** on Twitter.

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