

Office of the President

**TO MEMBERS OF THE PUBLIC ENGAGEMENT AND DEVELOPMENT
COMMITTEE:**

DISCUSSION ITEM

For Meeting of September 14, 2016

2016 BALLOT INITIATIVES

EXECUTIVE SUMMARY

The ballot initiative process gives California citizens a direct method of proposing laws and constitutional amendments outside the legislative process. California citizens routinely take advantage of this right by putting initiatives on the ballot to cover a range of issues during each general election. The legislature also has the ability to place measures before the voters through legislative referrals. This year, 17 state measures will be put before the voters on November 8, 2016. Of the 17 measures, 14 are voter initiatives, one is a legislative referral, one is an advisory question for California voters, and one is a veto referendum.

The Board of Regents has infrequently taken positions on such ballot initiatives in the past. Over the last thirty years, the Board has taken a formal position on only nine non-bond-related ballot measures. All of the measures endorsed by the Board of Regents were related to measures that proposed to increase the amount of revenue received by the State.

BACKGROUND

California Voter Initiative Process

California State laws allow initiated constitutional amendments, initiated State statutes, and veto referendums to be placed on the ballot through citizen-led signature petitions. Supporters of citizen initiatives are given a maximum of 180 days to circulate petitions and collect the required number of signatures from registered voters. Initiative measures must qualify at least 131 days before the next eligible statewide election. In California, the number of signatures needed to qualify a measure for the ballot is based on the total number of votes cast for the office of Governor in the prior general election. In 2016, initiated constitutional amendments needed 585,407 signatures to qualify for the November ballot, while statutes and veto referendums needed 365,880 signatures.

UC Board of Regents and Voter Initiatives

Despite the widespread use of ballot initiatives in California, the Board of Regents has taken positions on initiative measures in only a limited number of instances. All of the measures endorsed by the Board of Regents were related to raising State revenues.

Examples of the measures supported by the Board include:

- 2012 – Proposition 30 (temporarily raised State taxes on high-income earners).
- 2011 – Proposition 29 (proposed to raise cigarette taxes for cancer research).
- 2009 – Proposition 1A (proposed a “rainy day” reserve fund, extended certain tax increases, and made other modifications to the State budget process).
- 2008 – Children’s Hospital Bond Act (authorized \$980 million of general obligation bonds for capital projects at children’s hospitals, including UC hospitals).
- 1993 – Proposition 172 (established a 0.5 percent sales tax for public safety with an accompanying property tax shift to fund educational programs).
- 1990 – Proposition 111 (changed Prop. 98 funding formulas, modified the State appropriations limit, and increased gas taxes and truck weight fees to fund State programs).

The Board of Regents has also expressed opposition to measures. Examples include:

- 2007 – Proposition 92 (would have, among other things, established a separate Prop. 98 funding guarantee for the California Community Colleges and reduced available funding for UC).
- 2003 – Proposition 54 (would have prevented the University and other State agencies from collecting data on race, ethnicity, color, or nationality).
- 1986 – Proposition 61 (would have capped the compensation paid to public officials, including UC faculty and employees, to 80 percent of the Governor’s salary).
- 1984 – Proposition 36 (would have potentially restricted the University’s use of revenue bond financing and placed restrictions on The Regents’ authority to set fees).

2016 Ballot Initiatives

Of the 17 propositions on the ballot for 2016, four are of particular interest to the University of California.

PROPOSITION 55 would extend Proposition 30. According to the Legislative Analyst’s Office (LAO), if passed, it would extend from 2019 through 2030 income tax increases on high-income tax payers (single filers at \$263,222 and joint filers at \$526,444). Increased revenues are projected by the LAO to be between \$4 billion and \$9 billion annually, depending on future economic conditions. These additional funds will be designated for (1) school and community college spending, (2) budget reserves and debt payments, (3) Medi-Cal, and (4) once these

obligations are satisfied, any general purpose. Proposition 55 does not specifically direct any funding to the University of California.

PROPOSITION 56 proposes a cigarette tax to fund health care and tobacco prevention efforts. According to the LAO, if passed, it would increase the cigarette tax by \$2 per pack, with equivalent increases on tobacco products and electronic cigarettes containing nicotine. The LAO estimates an increase in tax revenues of \$1.1 billion to \$1.6 billion with the majority of funds going to healthcare providers. The measure could potentially provide up to \$1 billion for Medi-Cal reimbursement for the State and includes a provision to provide \$40 million per year to the University of California for the purpose of increasing the number of primary care and emergency physicians trained in California.

PROPOSITION 53 would change the Constitution to require statewide voter approval of revenue bonds exceeding \$2 billion (adjusted annually for inflation) for projects financed, owned, operated, or managed by the State. It is unclear whether this measure would apply to UC given that the definition of “State” specifically excludes cities, counties, school districts, community college districts, and other special districts, but the measure does not explicitly exempt UC. Additionally, the funding threshold may be too high to affect UC, as only two UC projects in the past decade have exceeded \$1 billion. Merced 2020, for example, is budgeted for \$1.1 billion but is only expected to include up to \$600 million in revenue bonds.

PROPOSITION 64 would change State law to legalize the possession, cultivation, and sale of marijuana. According to the LAO, under the measure, individuals 21 years of age or older could legally possess, sell, transport, process, and cultivate marijuana. However, it would remain unlawful for individuals to operate a motor vehicle while under the impairment of marijuana or to provide marijuana to individuals under the age of 21. The LAO summary of the measure states that it shall be the responsibility of the Legislature to implement any regulations necessary under the measure and that existing State and local sales taxes shall be applied to marijuana sold for recreational use.

While the measure does not directly address UC, it would require UC to consider its policies related to student use, employee use, and public use on UC campuses. The act does not appear to restrict the University’s ability to restrict use by students or employees or public use on campus through existing policies. Proposition 64 would legalize certain activities under State law, but UC would still be subject to the same federal rules and regulations related to marijuana and hemp research as before the passage of the State initiative. Should the proposition pass, as the State’s public research university, UC could begin to receive inquiries from private donors who wish to fund research grants and programs and those requests would need to be considered in light of existing Federal restrictions.

Key to Acronyms

LAO	Legislative Analyst’s Office
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