

# PROPOSITION 18 -- WATER BOND

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*Authorizes \$11.14 billion in bonds for state water projects, including storage, conservation, groundwater protection, and recycling. Major funding support from Gov. Schwarzenegger's California Dream Team (ballot measure committee), Conservation Action Fund, and California Alliance for Jobs (a group including Associated General Contractors, Operating Engineers, Carpenters Union, and Association of Engineering Construction Employers). Major opposition funding from Change To Win Federation, Food and Water Watch, The Nature Conservancy, California State Parks Foundation, Planning and Conservation League, and National Audubon Society.*

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By Martin Zehr:

The political solution for rational and sound water planning lies in structural reforms that establish bio-regional entities that represent stakeholders in the decision-making process. Such a solution would inherently impact on the character of water diversions that we have seen in the past and provide a new political landscape for Greens running for political office.

Green Party candidates, who come forward in the next election cycle, need to oppose the bond issue, promote regional water planning and oppose continued diversions from one region of California to another. Greens running for the State Legislature can develop campaign strategies that focus on the environmental and budgetary issues around the theft of funds for education, the reckless spending for favored agri-business interests and the failure to end multi-billion dollar diversions without recognition of the needs of the regions impacted. Prioritization needs to be based on documented and consensual processes, not on back room deals made in the dead of night.

California state government has failed to provide real solutions for water and public education. The Green Party is willing to break from the failures of past policies and promote reforms that are long overdue.

New support for the Green Party will develop based on our willingness NOT to repeat the hollow rhetoric of the Democrats and the Republicans. Too many times they have showed their true colors. It is time for advocacy groups to come forward and unions and other political action groups to step forward and support Green campaigns through financial support and to step forward in building and creating a new agenda for California.

We have worked often with environmental groups, Constitutional reform groups, student groups, teachers groups and other political organizations. We have contributed to their efforts and continue to do so. But reforms will not happen without the representation in there willing to make it happen.

In water there is no step backwards. Opposing the bond issue, as many environmental groups already have, is one step forward. The group RESTORE THE DELTA has been actively engaged in organizing based on the concerns of regional stakeholders. They have steadfastly opposed the water agreement when it was in the state legislature. It circulated a petition along with 23 other environmental groups stipulating:

First, I oppose the creation of a Delta Council on which the Delta would only have one representative. Second, I oppose the authority the Council would have over all quality of life issues in the Delta as it would have the right to override approval of local agencies for all local projects. Third, I oppose the intent of the bill "authorization of new conveyance" as this would offer a new layer of super protection for the outcome of the Bay Delta Conservation Plan. Fourth, I oppose the idea that protecting the Delta, fisheries and communities alike, can be

set as a co-equal goal with water exports to another region in California, all at a loss to the Delta's ecosystem and economy. And last, I oppose a general obligation water bond or bonds that will fund infrastructure and programs that will not restore the Delta, regardless of whether these bonds are offered as one large package or in future bond cycles. <http://citizenspeak.org/node/1780>

## **Recommended Position**

The Green Party of California should recommend a No vote. The work opposing the water bond is the next on the political agenda to oppose the agreement reached in the state legislature. RESTORE THE DELTA[1] issued a statement following the passage of the water agreement by the state legislature that pinpoints the irresponsibility of the bill.

## **ADDITIONAL REPORT ON PROPOSITION 18**

From Jan Arnold --

### **No on Prop 18 “Safe, Clean, and Reliable Drinking Water Supply Act of 2010”**

This measure was placed on the ballot by the Legislature, which passed it in November 2009. As usual, it has been given a title equivalent to “Butterflies, Sunflowers, and Cute Little Puppy Dogs.” Who could be opposed to safe, clean, reliable drinking water? (Remember PG&E’s recent Prop 16, the” Taxpayers Right to Vote Act ?” Luckily, the voters saw through that one.)

The League of Women Voters of California, for one. These folks are not quick to jump to conclusions. They say “While the bond contains funding for water management options that the League favors, such as water conservation, recycling and watershed protection, the overall effect of the measure is to encourage continued reliance on structural water supply solutions such as dams and conveyance that take more water from instream flows.”

Sierra Club California, for another. They say “This November, California voters will vote on an \$11.1 billion water bond. Sierra Club California opposes the water bond and urges voters to reject it.

This bond would obligate the state to pay back more than \$800 million in bond debt every year for the next 30 years. These payments would further stress our general fund, providing \$800 million less for schools, parks, social services, police protection and fire services. It seems unwise to add these huge annual payments to a budget with a projected shortfall of \$21 billion by 2011.

Certainly the state must invest in maintaining and improving our water infrastructure. Since 1996, California voters have approved over \$14.3 billion in water-related bonds. To this day, \$7.1 billion of those bond dollars have not been spent. Shouldn't the state spend this money prior to asking the voters to authorize more water bonds?

This proposed bond would not address our water problems in the most efficient way. It allocates only \$250 million for conservation, but includes \$4 billion to build new dams and expand existing ones. California can't afford \$4 billion to finance environmentally destructive projects. Dams harm fish and other wildlife, reduce

biodiversity and harm the natural habitat. They are also inefficient: each year more than a half million acre-feet of water evaporate from reservoirs, unused.

The bond does not do what is necessary to solve our water problems by promoting low cost and efficient solutions like conservation, water recycling, storm water recapture and the cleanup of polluted groundwater basins...”

A very quick run through the bill shows everyone, every purpose, and every region seems to be included. I'll mention the billion-dollar items that I noticed. Chapter 6 (Water Supply Reliability) is a billion-dollar item (but localities have to match the State funds, unless the State decides they are “disadvantaged” or “economically distressed”). Delta Sustainability is a \$2,250,000,000 item, which supports agriculture along with drinking water supplies. Almost \$2 billion is allocated (chapter 9) to conservation and watershed protection, \$1 billion (chapter 100 for Groundwater Protection and Water Quality, \$1 billion for the (chapter 11) Water Recycling Program.

We Greens feel we should exercise independent judgment on ballot measures. But in this case, when our knee-jerk reaction (is there a Peripheral Canal in there somewhere?) matches the Sierra Club and the League, we can spend our time better in other ways.

## **PROPOSITION 19 -- MARIJUANA**

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*Allows people 21 or older to possess, cultivate, or transport marijuana for personal use, subject to regulation and taxation. Prohibits use in public or when minors are present. Prohibits providing marijuana to anyone under 21. Major funding support (\$1.2 million) provided by S. K. Seymour, LLC (a medical cannabis provider), and Oaksterdam University.*

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## **Proposition 19 -- Marijuana -- YES**

**(note: we also voted YES at our last State Meeting)**

From Joan Strasser:

This proposition is very explicit in stating how marijuana will be legalized for personal use, cultivation and purchase, less explicit in stating how it will be legalized for commercial production, taxation, and purchase by wholesalers and retailers.

Because it is short on details, and complex in its enactment, some politicians, law enforcement officers and religious leaders in Alameda County, who share many Green values, oppose this proposition due to the unknown consequences of its passage. We are among those who see it as a beginning, however imperfect, however risky, of a long overdue correction of years of unjust prohibition of a drug far less harmful than alcohol or nicotine, the illegality of which has ruined the lives of countless otherwise law abiding Californians.

Particularly pernicious are present California laws which appear to minimize the penalty for possessing small amounts of marijuana. Arrest rates for marijuana possession are increasing in California. More than 60,000 arrests in 2008 are triple the number of arrests in 1990. The criminal conviction that seems like a traffic ticket is in reality far more serious. In our time of computerization, it creates an easily retrievable permanent record that precludes the convicted from obtaining financial aid for education, bank loans, rentals, or employment. This especially impacts the African-American community, as the arrest rate for young black men for small amounts of marijuana is three times the rate for young white men in many of California's largest counties. Presently, blacks make up 7% of the state population, yet comprise 750 of 1,515 people in California prisons for marijuana charges. Government studies consistently find lower rates of marijuana use among blacks than whites.

Proposition 19 allows possession of one ounce and cultivation of 25 square feet for personal use. It legalizes use only for adults over 21 and has several articles protecting minors. It limits public consumption to licensed facilities.

The proposition allows each city or county to decide whether to license or prohibit cultivation, sales, and public consumption for adults, at what rate to tax sales, charge licensing fees, and how to punish and prohibit infractions of its rules. Limits on commercial production permitted, as opposed to personal production, are not specified, and only limited by local ordinance. Though sales to individual customers are limited to one ounce per transaction, there are no limits on frequency of transactions, or on sales to retailers or distributors. This proposition does not encourage either existing or new small growers, and we have concern that big businesses can take control of the marijuana industry, pushing out small farmers, as has agribusiness in so many other industries. However, it is doubtful that multinational corporations will enter the market in view of uncertainty as to the federal response to Prop 19.

Prop 19 explicitly permits state government to pass legislation regarding cultivation and sales. Given the complexities that city and county ordinances will doubtless create, state legislation of some sort is likely to follow passage. Whether mandated by state, county or city law, it is difficult to determine the financial benefits that will accrue from the taxation of marijuana as there are many variables to be considered. Estimates made by several studies have varied enormously. Despite these many unknowns, we welcome the passage of Prop 19 as bringing progress toward appropriate marijuana legislation in California.

## **Propositions 20 and 27 – Redistricting**

**By Jim Stauffer**

### **Official Title and Summary**

**PROPOSITION 20 -- CONGRESSIONAL REDISTRICTING** -- Transfers authority for redistricting congressional districts from the Legislature to the Citizens Redistricting Commission. The Commission, which was established by Proposition 11 (2008), already has redistricting authority for legislative seats and the board of equalization. Major funding support (\$3 million) provided by Charles T. Munger, Jr., a physicist whose father, billionaire Charles T. Munger, is vice chairman of Berkshire Hathaway.

Proponent: Charles T. Munger, Jr. votersfirstactforcongress@gmail.com

**PROPOSITION 27 -- REPEAL OF REDISTRICTING COMMISSION** -- Eliminates the Citizens Redistricting Commission that was established by Proposition 11 (2008), and returns the job of drawing state legislative and board of equalization districts to the Legislature. Proponent: Daniel H. Lowenstein, UCLA

professor of law, former chairman of California Fair Political Practices Commission.  
Proponent: Daniel Lowenstein c/o Fredric D. Woocher (310) 576-1233

## Recommended Position

Prop 20 - YES

Prop 27 - NO

## Introduction

This is an analysis of Props 20 and 27 for the Nov. 2010 ballot. The issue is the decennial redistricting of political boundaries. Both propositions seek to modify Prop 11 from the Nov. 2008 election.

### Preface (*This is important!*)

Any public discussion by the Green Party of redistricting must include statements on the futility of trying to achieve fairness in single-member districts (i.e. where only one person represents the entire district) and the advantages of using multi-member, proportional representation (PR) districts.

A PR scheme where, for example, three Assembly districts are combined into one that elects three representatives would give representation (potentially) to three different constituencies. In single-member districts, only the one largest constituency is represented. Obviously, PR would resolve a number of the minority and diversity representation issues that continually plague the current redistricting process.

Consider this one paradox in redistricting single-member districts: There are criteria for keeping cities and counties from being split, and also criteria for keeping communities of interest from being split. Such communities often consist of population pockets across cities or counties. How can any one draw a single-member district boundary that meets both criteria? They can't. That's why both Props list their criteria with an order of precedence. Maintaining contiguous cities and counties takes precedent over contiguous communities in both Props. So the ability for a community of interest to elect itself a representative is not well supported by any single-member redistricting scheme. Only PR can resolve this paradox.

## Summary of Recommendations

### Prop 20

- Puts redistricting of congressional districts under the Citizens Redistricting Commission rather than the state Legislature.
- Expands the definition of "communities of interest."

Propose the GPCA recommend YES on this proposition. It's questionable that moving congressional redistricting to the Commission will have much affect, but the expanded definition of "community of interest" is worth voting for.

### Prop 27

- Eliminates the Citizens Redistricting Commission and moves all redistricting to the Legislature.
- Rewrites the criteria for the redistricting process and adds public accountability criteria.

- Establishes that populations in each district be "precisely equal" rather than the existing "reasonably equal."

Propose the GPCA recommend NO on this proposition. The only favorable argument is that the Legislature could be held to fair redistricting by enforced redistricting criteria and public oversight and participation. This would save taxpayers from \$3M+ for a redistricting commission. But the proposed criteria are weaker than Props 20 and 11. The rationale for this prop has conservative / libertarian overtones.

## Analysis

### Review of Prop 11 (Nov '08)

Prop 11 removed redistricting authority from the state Legislature and placed it under a new Citizens Redistricting Commission. This applies to State Senate, State Assembly and Board of Education districts. Prop 11 also expanded the criteria for establishing district boundaries by adding guidelines for contiguous cities, counties and "communities of interest."

However, Prop 11 excluded congressional districts from its scope. The Legislature still performs this redistricting, but now must use the same criteria for drawing boundaries as the Redistricting Commission, and must submit a report explaining the basis of its decisions.

With Prop 11's adoption, constitutional law that sets the criteria for drawing congressional district boundaries now states:

(New requirements added by Prop 11 are underlined.)

[Article XXI, Sec. 1]

(b) The population of all congressional districts of a particular type shall be reasonably equal. After following this criterion, the Legislature shall adjust the boundary lines according to the criteria set forth and prioritized in paragraphs (2), (3), (4), and (5) of subdivision (d) of Section 2. The Legislature shall issue, with its final map, a report that explains the basis on which it made its decisions in achieving compliance with these criteria and shall include definitions of the terms and standards used in drawing its final map.

(d) The Legislature shall coordinate with the Citizens Redistricting Commission established pursuant to Section 2 to hold concurrent hearings, provide access to redistricting data and software, and otherwise ensure full public participation in the redistricting process. The Legislature shall comply with the open hearing requirements of paragraphs (1), (2), (3), and (7) of subdivision (a) of, and subdivision (b) of, Section 8253 of the Government Code, or its successor provisions of statute.

[Article XXI, Sec. 2(d)]

(2) Districts shall comply with the federal Voting Rights Act (42 U.S.C. Sec. 1971 and following).

(3) Districts shall be geographically contiguous.

(4) The geographic integrity of any city, county, city and county, neighborhood, or community of interest shall be respected to the extent possible without violating the requirements of any of the

preceding subdivisions. Communities of interest shall not include relationships with political parties, incumbents, or political candidates.

(5) To the extent practicable, and where this does not conflict with the criteria above, districts shall be drawn to encourage geographical compactness such that nearby areas of population are not bypassed for more distant population.

## Prop 20

Prop 20 simply removes congressional redistricting from the Legislature and puts in under the Citizens Redistricting Commission. Also, the criteria defined in Sec. 2(d)(4) is expanded.

Sec. 2(d)(4) is modified as follows (new text underlined):

4) The geographic integrity of any city, county, city and county, local neighborhood, or local community of interest shall be respected in a manner that minimizes their division to the extent possible without violating the requirements of any of the preceding subdivisions. A community of interest is a contiguous population which shares common social and economic interests that should be included within a single district for purposes of its effective and fair representation. Examples of such shared interest are those common to an urban area, a rural area, or an agricultural area, and those common to areas in which people share similar living standards, use the same transportation facilities, have similar work opportunities, or have access to the same media of communication relevant to the election process. Communities of interest shall not include relationships with political parties, incumbents, or political candidates.

## Conclusion

The proponent's (Charles T. Munger) complaint is that of gerrymandering. He argues at length about the evils of partisan legislators drawing congressional districts for their own self-interest.

The arguments are true, but Prop 11 established that the Legislature must use the same criteria for redistricting as the Commission. They must use an open process with public involvement, and they must submit a public report describing the process they used.

So the proponent's argument seems to be that he doesn't trust the provisions of Prop 11 to accomplish a fair redistricting process by the Legislature.

Perhaps Mr. Munger's crystal ball is better than the rest of our's, but what evidence is there that the Legislature could effectively manipulate the process while working under the criteria of Prop 11?

The one positive affect of Prop 20 would be the expanded definition of "geographic integrity" in 2(d)(4). Given that it's probably a wash to have congressional redistricting by the Legislature or by the Commission, the GPCA should support this just to get the expanded "geographic integrity."

A question raised in Prop 27 is whether or not a \$3M commission would do a better job than the Legislature, if the later is forced to use the same criteria as the commission. That's a question worth contemplating. But Prop 11 has already funded the commission and Prop 27's arguments are weak.

## Prop 27

The proponent (Professor Daniel Lowenstein) argues that the estimated \$3M+ for the Citizens Redistricting Commission is not necessary. He proposes returning redistricting to the Legislature with new requirements for transparency and accountability. He's also proposing "precise" equality in populations between districts, which was not addressed by Prop 11.

The major provisions of Prop 27 are:

- Puts all redistricting under the Legislature.
- Adds that redistricting decisions of the Legislature are not exempt from referendum process (i.e. "the power of the electors to approve or reject statutes or parts of statutes")
- Includes several provisions for public transparency and involvement. For example:

[Article XXI, Sec. 2(1)(g)]

(g) The Legislature shall establish and implement an open hearing process for public input and deliberation that shall be subject to public notice and shall be promoted through a thorough outreach program in order to solicit broad public participation in the redistricting public review process. The hearing process shall include, at a minimum, (1) hearings to receive public input before the release of data by the United States Census Bureau for the most recent applicable decennial census, (2) hearings to receive public input before the Legislature draws any maps, and (3) hearings to receive public input following the drawing and display of any maps. In addition, hearings shall be supplemented with other activities as appropriate in order to further increase opportunities for the public to observe and participate in the review process. The Legislature shall display proposed maps for public comment in a manner designed to achieve the widest public access reasonably possible. Public comment shall be taken for at least 14 days from the date of the initial public display of maps.

- District populations are required to be "precisely equal" [Art. XXI, Sec. 1(b)] rather than the existing "reasonably equal." And, "If precise population equality is mathematically impossible, a population variation of no more than plus or minus one person shall be allowed."
- Removes the following Prop 11 provision, and precludes Prop20's expanded definition:

[Art. XXI, Sec. 2(d)(4)]

The geographic integrity of any city, county, city and county, neighborhood, or community of interest shall be respected to the extent possible without violating the requirements of any of the preceding subdivisions. Communities of interest shall not include relationships with political parties, incumbents, or political candidates.

And adds a similar(?) provision:

[Art. XXI, Sec. 1(e)]

The geographical integrity of any city, county, city and county, or community of interest shall be respected in a manner that minimizes its division. No contiguous city, county, or city and county that has fewer persons than the ideal population of a district established by subdivision (b) shall be split except to achieve population equality, contiguity, or to comply with all federal constitutional and statutory requirements including the Voting Rights Act (42 U.S.C Sec. 1971 and following).

- Adds a provision that any voter can demand the Supreme Court review the redistricting decision:

[Art. XXI, Sec. 3(b)]

Any voter registered in this state may file a petition for a writ of mandate or writ of prohibition with the



California Supreme Court, within 45 days after the enactment of a final map, to bar the Secretary of State from implementing the redistricting plan on the grounds that the filed plan violates this Constitution, the United States Constitution, or any federal statute.

## **Conclusion**

If you believe that imposing a redistricting criteria on the Legislature will result in fair boundaries being drawn, then you can save \$3M by passing this Prop. As argued in the Prop 20 section above, is their reason to believe that the Legislature could continue manipulating the process while working under the criteria of Prop 27?

But, is the criteria in Prop 27 adequate? Compared to Prop 11 or Prop 20, neighborhoods and communities of interest are not as well protected. Even cities and counties are allowed to be divided for population equality reasons.

## **Population Equality**

Population equality between districts appears to be a big issue with the proponent. This 'equality' criterion takes precedent over all other criteria in the proposed process. He wants to change the phrase "reasonably equal" to "precisely equal," but does not elaborate why. It's important to note that "reasonably equal" has been the phrase in the Constitution for some time, it was not added by Prop 11.

"Reasonably equal" is not defined in Article XXI. But we must realize that population of a district does not indicate the number of registered voters in a district. While claiming all districts have the same population-to-representation ratio may sound like an ideal of democracy, the truth is that a district representative is elected by registered voters, not the general population.

I did a survey of CA county population vs. registered voters using census data from April 2000 and registration data from Nov. 2000. I selected 25 counties of various sizes for a sample. The sample's overall average showed 51% of the population was registered to vote. But the range across the counties was 35% to 64%. There was no obvious pattern of large or small counties having high or low percentages.

Assuming that these population/registration ratios probably aren't different for districts, there appears to be low (if any) correlation between population and registered voters. So, going to precisely equal populations in districts would have negligible affect on how the district votes.

Overall Prop 27 appears to be a serious degradation of Prop 11. While it may be reasonable to assume that the Legislature could be held to a fair redistricting process rather than spending millions on a new commission, the criteria set forth in Prop 27 is substantially weaker than Prop 20.

The proponent's inexplicable obsession with precisely equal populations is troubling. So is the rhetoric in the "Findings and Purpose" section of the Title and Summary submission. It is alarmist and vitriolic. He considers redistricting by neighborhood and communities of interest as creating " 'Jim Crow' districts."

The Green Party should recommend "NO" on this proposition.

## **If Both Props Pass**

Both props contain the same conflict and severability clauses:

- If both props pass, the one with the most votes goes into full effect.
- If both props pass, provisions of the prop that received fewer votes may be implemented if they don't conflict with the higher voted prop.
- If both props pass and all or part of the higher voted prop is found invalid, provisions from the lower voted prop are implemented if they don't conflict with what's left of the higher voted prop.
- If any provisions of either prop are found to be invalid, the remain provisions may proceed into effect.

## **ADDITIONAL ANALYSIS ON PROPs 20 & 27 BY TIM SMITH**

### PROPOSITION 20 -- CONGRESSIONAL REDISTRICTING

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*Transfers authority for redistricting congressional districts from the Legislature to the Citizens Redistricting Commission. The Commission, which was established by Proposition 11 (2008), already has redistricting authority for legislative seats and the board of equalization. Major funding support (\$3 million) provided by Charles T. Munger, Jr., a physicist whose father, billionaire Charles T. Munger, is vice chairman of Berkshire Hathaway.*

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#### *Compliments of Tim Smith*

## **November 2010 : Propositions 20 & 27- Congressional Gerrymandering in California.**

### **Background to Congressional District Gerrymandering in California**

(All vote results quoted below are available at the following website : <http://vote.sos.ca.gov/> )

Gerrymandering has been the preference of party politicians all over the USA since at least 1811, when one of the "founding fathers", Elbridge Gerry \*, deeply committed to a ruling aristocracy, was Governor of Massachusetts. Now, 200 years later, and especially in the last 10-20 years, with computer-mapping and programming, and dozens of years of voting history and patterns to input into those computers, at least 95% of ALL district elections are pre-determined based on the way the political party in power draws, manipulates or "gerrymanders" the district lines, every ten years right after the census is completed.

- (Note on Elbridge Gerry : A merchant of considerable wealth with a great estate. Referring to the political unrest during the constitutional convention, he counseled, "The evils we experience flow from the excess of democracy". He did not want ANY members of the new national government to be elected by popular vote, having observed what he called the "danger of the levelling spirit". Although he was quite active at the convention, he had numerous objections to the final draft and refused to sign.)

Meanwhile, the new, present-day technological developments of computer mapping and programming have enabled the political party in power (Democrats in California) to maintain a virtually unchanging, STATIC Democrat to Republican ratio of House Representatives (HoR - at first 33D to 20R, then after '06, 34D to 19R) in the California congressional delegation over the last 10 years, regardless of considerable opinion/voting swings within that electorate, and even to the detriment of grassroots voters registered Democrat.

For instance, in the 2006 elections, sentiment nationwide swung away from support for, and in opposition to, Republican President George Bush's policies, esp. against the war in Iraq, and the Republicans were swept from power in the House by a landslide Democrat victory. But in California in 2006, only \*ONE\* district changed hands, from Republican to Democrat, and in 2008, despite solid support for Obama, and a major increase in Democratic support, not a single district changed hands. This is because, in California, the Democrats, working on an agreement with the Republicans, have pledged to keep the ratio of HoRs (initially 33/20, and then 34/19) static and unchanging as much as possible, DESPITE the will of the people.

This is blatantly undemocratic, and results in nothing less than a de facto dictatorship masquerading as open choice for this state's congressional delegation, where the incumbent party maintains its power and control, without the least concern for the opinions and judgements of the state's voting constituents.

A closer look at the Congressional elections illuminates how the will of the voters has been subverted and trumped in California...:

- California has 53 Congressional Districts.
- Every ten years, after the census, the District boundaries must be changed, or adjusted, to balance out new concentrations of citizens resulting from population shifts, and thus maintain the constitutional principle of equal representation, "one person, one vote", ie each District must be roughly equal in population.
- Because, under current law, the political party in power gets to make the changes and adjustments to the district boundaries, they use that as an opportunity to manipulate the lines in such a way as to ensure as many of their candidates as possible are easily elected, or re-elected.
- The result is, if you look at the congressional and state legislative district maps, you see bizarre configurations of gargoyle-like districts. Communities are divided and separated, towns are bisected, cities and their surrounding areas are chopped up for the purpose of maintaining current political power relationships even to the detriment of the Democratic voters themselves.
- For Instance, in 2008, only 2 congressional races were decided by less than 5%, and as already mentioned, no incumbent from either party was defeated and no new Democrat representatives were elected despite solid and widespread support for Democratic presidential candidate Obama and his fellow Democratic congressional candidates. That's 53 elections, and NO changes, despite a demonstrative public desire for change (and amid plenty of rhetoric about "hope and change"). Because the task of unseating an incumbent representative in gerrymandered districts is so daunting, in 7 districts, the incumbent ran unopposed (except for a couple of inconsequential write-in candidates).

-- Note : the lack of competitive elections is a common characteristic of authoritarian dictatorships.

- In 2006, despite widespread disaffection for Republicans and their policies, only one race was decided by less than 5%, and only ONE particularly odious incumbent, Richard Pombo, (R -

11th district) was defeated (by Jerry McNerney - D, by a slim 53.3% to 46.7% margin). Once again, 53 elections and only ONE change, despite a major shift in public opinion and wholesale changes nationwide, from Republican to Democrat control of the House of Reps. (BTW, when i say "major shift" or "wholesale change" i'm speaking in relative terms - i am NOT under the illusion that a shift from Republican to Democrat constitutes substantive change). Furthermore, in 4 California districts, the incumbent ran without opposition.

- In 2004, no incumbents were defeated, and not a single race was decided by less than 5% ! In fact, because the districts are so dramatically gerrymandered, the margin of victory for incumbents typically ranged from 2-1 to 8-1 !!, and in 2 districts the incumbents were so heavily favored they ran uncontested.
- In 2002, there were 50 races involving incumbents and no incumbents were defeated. Not a single race including an incumbent was won by less than 18.7% (58.0% - 39.3%), plus 11 races were won by a 30%+ margin of victory (mov), and 19 were won by a 40% mov, or more...
- In total, from 2002 - 2008 in 212 congressional elections, only one time did the district representation change parties \*. Given that gerrymandering, or manipulating district lines is the dominant factor in determining district elections, that's a 99.5% rate of predictability!! And, once again, that's a rate of predictability characteristic of autocratic regimes, reminiscent of the worst of tyrannies, all the while under the pretense of this being a "democratic republic".
- Note to asterisk above - Both parties are deep in the back pockets of corporate coffers and voters are left with a repressed, restricted choice of corporate party A vs corporate party B. Thus, both Parties primarily represent a rich, powerful, corporate-connected oligarchy. And this oligarchy has managed to insulate itself from the political will of the voters, that is, from "the people"/the workers/the poor and middle classes, by way of many layers of "legal" repressions : from gerrymandering, to restricted debates, to corporate sponsored media dominance, to ballot access laws that make getting on the ballot INaccessible for alternative candidates, and meanwhile corporate money is ruled by the Supreme Court to be free speech and CANNOT be restricted.

## **Propositions Governing Congressional Gerrymandering on the November Ballot**

### **PROPOSITION 20 -- CONGRESSIONAL REDISTRICTING\***

Transfers authority for redistricting congressional districts from the Legislature to the Citizens Redistricting Commission. The Commission, which was established by Proposition 11 (2008), already has redistricting authority for state legislative seats and the board of equalization. Major funding support (\$3 million) provided by Charles T. Munger, Jr., a physicist whose father, billionaire Charles T. Munger, is vice chairman of Berkshire Hathaway.

### **PROPOSITION 27 -- REPEAL OF REDISTRICTING COMMISSION\***

Eliminates the Citizens Redistricting Commission(CRC) that was established by Proposition 11 (2008), returns the job of drawing state legislative and board of equalization districts to the Legislature, and keeps the congressional districts from being drawn by the CRC. Proponents: Daniel H. Lowenstein, UCLA professor of law, former chairman of California Fair Political Practices Commission + Michael Berman and his brother, Howard Berman, (D-LA) HoR 28th district, who was unopposed last election and seeks to keep it that way.

Unfortunately, the Green Party's official position and recommendation in 2008, on Proposition 11, was to vote "NO". (Fortunately the voters ignored the GPCA's advice, passing Prop 11 by a scant 51% majority) The primary reason for the GPCA's "NO" recommendation was the lack of a proportional representation provision. While proportional representation is a significant issue worthy of major support from the GPCA and all voters favoring better democracy, the problem of gerrymandering is so egregious, so insidiously pervasive, in and of itself, that to reject a major effort to reform it, is to be overly idealistic and somewhat out-of-touch with political realities, IMO. Some Green criticism of Props 11 and 20 this year, refer to 11 as a "fiasco", which is odd because the changes established by Prop 11 have not yet been fully implemented or completed. Furthermore, Prop 11 did establish a commission that was more proportionally representative of political diversity in California, more than any of our current statewide legislative bodies or delegations. The CRC is composed of 14 Commissioners : 5 Democrats, 5 Republicans, and 4 Others - ie 4 from neither of the two largest parties. (Percentage-wise that breaks down as follows : 35.7% Dems, 35.7% Repubs, 28.6% Others). In California, the current registration figures amount to 44.5% Dems, 30.8% Repubs, 24.7% Others. So the CRC is actually more proportional than many of my idealistic Green brethren might realize. And additionally, if Prop 20 is to pass, the commission's final redistricting decision must include agreement from 3 Dems, 3 Repubs, and 3 Others; so that a kind of commission consensus must be achieved that includes almost all of the commissioner's political persuasions. Another provision that helps to preclude gaming or stacking the commission, is that the pool of commissioner applicants is chosen \*randomly\*. That is to say, commissioners will not be able to campaign for the position or buy their way into the position, without breaking the law. But most significantly, the commissioners must now draw the district lines based on **\*\*GEOGRAPHIC\*\*** boundaries, ie rivers, ridges, major thoroughfares, or city and county boundaries; and the lines must NOT be drawn based on political considerations, which is currently the over-riding criteria. Wherever possible the boundaries must maintain the continuity and integrity of cities, towns, and compact, contiguous communities.

IMO, it has taken us 200 years to begin to eliminate the insidiously undemocratic practice of gerrymandering (from my conversations with voters, i find that maybe 3-5%, at most, know how un-democratic and pervasive gerrymandering is, while about 90% don't know what it is, or that it even exists!)

Prop 20 may not be perfect because of it's perceived proportional representation deficiencies, but after 200 years of gerrymandering, (150 years in Ca) it's time to focus on reforming, if not eliminating this insidiously undemocratic practice.

Vote YES on Proposition 20

Vote NO on Proposition 27

Prop 27 is designed to confuse and confound the voting public, about Prop 20, and eliminate the CRC as established by Prop 11 passed in 2008.

PS -- It is not surprising to note that when the initiative to qualify Prop 27 for the ballot failed to turn in its signatures on time, and when, as a result of the late turn-in, at least 2 counties, Riverside and Fresno, did not finish checking the validity of those signatures in time to qualify the initiative, Nancy Pelosi and Barbara Boxer flexed their considerable political clout to relax those temporal requirements and qualify the initiative after all, in spite of expired official deadlines...

## **OPPOSING VIEW ON PROPS 20 AND 27**

**From Michael Rubin:**

## **Props 20 and 27 -- Redistricting -- (No on 20, Yes on 27):**

When Prop.11 was on the Nov, ballot in 2008, we wrote “ Creating a redistricting process with unelected, unknown, faceless people chosen by a Kafka-esque process is moving away from accountability”. Unfortunately Prop 11 passed and now 2 years later, do you know the status of this alternative redistricting process? If you do, you’re ahead of us. In other words, our worst fears have been realized.

The Nov. 2010 ballot offers a clear choice as we consider the fiasco of Prop.11. Prop 20 extends Prop. 11 to the redistricting of the California congressional districts. Prop. 11 dealt only with Assembly, State Senate and Board of Equalization districts. On the other hand, Prop 27 eliminates the State Redistricting Commission set up by Prop. 11 and gives redistricting of Assembly, State Senate and Board of Equalization seats back to the legislature. In addition, it limits the amount of money the legislature can spend on redistricting. It provides that voters can subject any redistricting plan of the legislature to the referendum process. It requires that all districts for the same office have the same number of voters. It mandates that the legislature make its own redistricting process more transparent; most notably by requiring 14 day advance public notice for each meeting dealing with redistricting.

The Green Party recommends a “no” vote on Prop. 20 and a “yes” vote on Prop. 27. We do note that the provisions of Prop, 27 are relatively modest considering the language in the finding and purpose section of Prop. 27. We also note an antagonism towards districts that have a majority of people of color. We do not agree with it and will be watching what happens if Prop. 27 passes. The Green Party continues to favor proportional representation as a real method for more choices and more participation.

## **Response to Mike Rubin's comments**

(Jim Stauffer)

Prop 11 was passed by the voters in 2008. It's now 2010 and we must consider the propositions to modify Prop 11 in their own right. And it's an opportunity for the Green Party to reconsider it's previous position.

The 2008 county poll contained two write-ups on Prop 11. The one quoted by Mike is highly critical of establishing a Citizens Redistricting Commission (calling its member selection process "Kafka-esque") and argues to retain redistricting by the Legislature because it is a more open process. I find these highly debatable points. And the general tone of the write-up is very negative and cynical.

The other write-up has a more pragmatic argument: Establishing an independent commission, and criteria by which it operates, are "major improvements." The NO recommendation comes from leaving congressional redistricting in the Legislature; no equal representation of minor parties on the commission; and it's not proportional representation.

The meeting minutes from the Aug. 2008 General Assembly shows Prop 11 was opposed by a large majority, but they do not provide much info as to why.

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I believe the Green Party needs to consider broader things than its own self-interest when we're trying to persuade voters on state-wide issues. I believe Props 11, 20 & 27 provide 'teaching moments' that we should

exploit for our political agenda, but our recommendation should consider what is good for all of California within the context of the realities in which we live.

My write-up on Props 20 & 27 begins with an introduction on how redrawing boundaries for single-member districts is an exercise in futility from a representational standpoint, and that proportional representation is a far superior solution. Tim Smith's write-up provides a detailed accounting of the disgustingly self-serving job the Legislature has done with redistricting.

The conclusion I draw is that Props 11 and 20 will be an incremental improvement in an antiquated and inadequate electoral system. It will solve some problems, but the inherent deficiencies can be addressed only by a fundamental change to the system (i.e. proportional representation). I recommend YES on 20 because it will likely improve the current reality. And I hope the GP can use this moment to educate the public on real solutions.

One sub-topic worth mentioning is representation of minority/ethnic groups in California. This is a very diverse state. My county (Santa Clara) is one of those that does not have a majority 'race.' Whites dropped below 50% some years ago. I attended local redistricting hearings in 2002 and representatives from some of our ethnic communities came to complain about political boundaries cutting their communities in half. This is a common complaint, and it contributes to the political under-representation of these groups.

This is a very "California" issue, as we're one of the most diverse states in the nation. Prop 20 gives these groups the best chance they've had at equal representation. But then, after they see that it has only a modest affect, they will be receptive to the need for the fundamental changes we propose.

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I don't agree with the philosophy that we should vote NO on everything that doesn't meet our utopian standards. We need to evaluate these issues on whether or not they will do harm, do good, or have no affect on real life. If the proposal does no harm, we can give a qualified YES recommendation and leverage the opportunity to present Green perspectives. If we're going to be the party that recommends NO on everything, then we're going to be dismissed as fringe malcontents.

## **PROPOSITION 21 -- SURCHARGE FOR PARKS**

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*Establishes \$18 annual state vehicle license surcharge to be used solely to operate, maintain, and repair the state park system, and protect wildlife and natural resources. Grants free admission to all state parks to vehicles paying the surcharge. Exempts commercial vehicles, trailers, and trailer coaches. Major funding support provided by Sempervirens Fund (redwoods protection group), Peninsula Open Space Trust, Conservation Action Fund, Save the Redwoods League, National Audubon Society, The Nature Conservancy, California State Parks Foundation, and Wildlands Support Fund.*

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From Lindsay Vurek:

**Proposition 21 -- Yes, with reservations**

# Proposition 21 (Initiative Statute): The State Parks and Wildlife Conservation Trust Fund Act

Establishes \$18 Annual Vehicle License Surcharge to Help Fund State Parks and Wildlife Programs and Grants Free Admission to All State Parks to Surcharged Vehicles.

In principal the Green Party is not for flat type taxes since they tend to affect the poor disproportionately more than the rich. In this particular case, the tax is modest and on cars, which are a major source of environmental degradation and the tax revenues are used for the preservation of the natural environment. An important value of the Green Party is protection of the natural environment, so this tax fits well within that value. However, we also have another reservation in that we dislike special dedicated "carve out" taxes. Unfortunately though, California's budget crisis and taxation system is not going to be fixed this year, so in order to provide needed funding to the parks system, we endorse Prop. 21, with reservations.

Details of the Proposition 21:

Establishes an \$18 annual state vehicle license surcharge and grants free admission to all state parks to surcharged vehicles. Requires deposit of surcharge revenue in a new trust fund. Requires that trust funds be used solely to operate, maintain and repair the state park system, and to protect wildlife and natural resources. Exempts commercial vehicles, trailers and trailer coaches from the surcharge. Requires annual independent audit and review by citizen's oversight committee. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: Increased state revenues of about \$500 million annually from the imposition of a surcharge on the VLF to be used mainly to fund state parks and wildlife conservation programs. Potential state savings of up to approximately \$200 million annually to the extent that the VLF surcharge revenues were used to reduce support from the General Fund and other special funds for parks and wildlife conservation programs. Reduction of about \$50 million annually in state and local revenues from state park day-use fees. These revenue losses could potentially be offset by increases in other types of state park user fees and revenues.

see <http://www.sos.ca.gov/elections/ballot-measures/qualified-ballot-measures.htm> for full text

## PROPOSITION 22 -- LOCAL GOVERNMENT

*Prohibits state from shifting, taking, borrowing, or restricting use of revenues dedicated to local government services, community redevelopment projects, and transportation projects and services. Prohibits the state from delaying distribution of tax revenues for these purposes. Major funding support provided by League of California Cities and California Alliance for Jobs (a group including Associated General Contractors, Operating Engineers, Carpenters Union, and Association of Engineering Construction Employers).*

By Bert Heuer: GPCA should urge a "No" vote on this matter

### Analysis

For Greens and Progressives this proposition appears to be a good thing: local levels of government are presumably more responsive to local issues therefore this will lead to more grassroots control of the purse. And there is no doubt that the state government has been somewhat high-handed recently in its approach to struggling cities and counties.



However, this proposition is just one more example of "budgeting by ballot-box". We elect representatives to go to Sacramento and make budget decisions. That is how our Republic is supposed to work. And if those representatives cannot get the job done, then we go to the polls and replace them (of course, we naturally believe these replacements should be Greens).

Yet through use (some would say "abuse") of the direct democracy system, each election cycle leaves our State Senators and Assemblymembers, from whatever party, with less and less room to move when trying to manage our state's affairs. This has led us to more partisanship, more back-room deal making (ex: Prop 24), and more bad government.

The provisions of Prop 22 are mostly concerned with "transportation money" - that is the funds normally used for highways and so forth. There are restrictions of the uses of Vehicle Tax revenue, and this proposition goes as far as to repeal even laws (meaning "budgets") that are passed in the future (between Oct 2009 and Nov 2 of this year). This is viewing our state's finances in black and white terms that are not realistic. Forcing money away from the state in one place will mean reductions in funding elsewhere. That's just common sense. So, one likely outcome of Prop 22 will be even less money state-wide for schools and universities as well as less funding for other programs that Progressives feel are important for the common good.

In conclusion, let's not try to manage our budgets piece-meal or by whatever bill of goods The Big Money can sell to the voters in this election or that. Instead let's change out the people we send to Sacramento to represent us and then those chosen representatives *do their job*.

## **PROPOSITION 23 -- SUSPENSION OF AIR POLLUTION CONTROL LAWS,**

By EB Gendel:

Specifically AB 32 the Global Warming Solutions Act of 2006. AB 32 requires that by 2020, the level of emissions of greenhouse gases in the state must be reduced to their level in 1990. This would require an approximate 25% reduction over the level of emissions in 2006, the year the bill was signed.

The California Environmental Protection Agency is charged with implementing the provisions of AB 32. *Suspends the state's greenhouse gas reduction law until California's unemployment rate has been 5.5 percent or less for four consecutive quarters. Suspends requirements for increased renewable energy and cleaner fuel, as well as mandatory emission reporting and fee requirements for major polluters such as power plants and oil refineries. Major funding support provided by Valero (a Texas-based oil refiner and wholesaler), Howard Jarvis Taxpayers Association, World Oil Corp., Tower Energy Group, Tesoro Companies, Southern Counties Oil Co., and Jaco Oil Co.* == Argument == According to the California Employment Development Department, there have been only three periods since 1976 when unemployment in the state remained below 5.5% for four or more quarters:

- \* January 1988 through December 1989
- \* October 1999 through June 2001
- \* October 2005 through June 2007

What this means is that Prop 23 does not merely *suspend* AB23, it essentially *kills* it. With unemployment in California at around the 12% level, it is very unlikely for it to get down to 5.5% for the foreseeable future.

By linking the reduction of greenhouse gasses with unemployment, the supporters of Prop 23 are relying on scaring people who are already in a vulnerable position or are sympathetic with the plight of the unemployed.

While it may be true that the implementation of AB32 would have a small, negative impact on employment, there are always trade-offs in times of transition. What good are jobs if we live in an unhealthy environment and continue on the road to global warming and its catastrophic impact. It is imperative that we move from a fossil fuel economy to clean, green one and that is what AB32 mandates.

Currently, the bulk, \$1.4 million, of the funding for Prop 23 comes from out of state with another \$700K from in-state, \$300K of that coming from Occidental Petroleum. New funding reports are due to be filed with the Secretary of State by August 2nd.

**Recommended Position: If you believe that global warming is real and that we must move quickly toward a clean, green economy, then definitely vote NO on Prop 23.**

## **PROPOSITION 24 -- CORPORATE TAXES**

*Repeals recent legislation which lowered corporate taxes by allowing businesses to shift operating losses to prior tax years; expanding the time in which losses can be shifted; allowing businesses to share tax credits with affiliated corporations; and allowing multi-state companies to use a sales-based income calculation rather than one based on property, payroll, and sales. Major funding support provided by California Teachers Association (\$2.2 million). Major opposition funding provided by Fox Group, Time Warner, CBS, General Electric, Cisco Systems, Amgen, Walt Disney Company, and Genentech, Inc.*

**Proposed GPCA Position by Bert Heuer: urges a "Yes" vote on this matter**

### **Analysis**

As part of the back-room deal for the 2009 budget, conservatives in the Senate and Assembly were given yet another tax break for Big Corporate Money to take effect next year. Which leaves we Greens and Progressives with what might be *the biggest no-brainer of this election*: Proposition 24.

We are being asked should large multi-state corporations - who already do not contribute their fair share, who already pay lower rates than the average working family or small business owner - get still more favorable tax treatment from Sacramento? Should we just give away 1.7 billion dollars in tax cuts at a time when our cities and counties are laying off teachers and cops and firemen.

Now that's a tough call isn't it?

Of course, the opponents of this measure (note the names above) will all argue with one thing: jobs. Listen closely and you can hear their steady chant of "job killer, be afraid, job killer, be afraid". They will scream and rant (and buy lots and lots of advertising) telling all of us how California will lose this many or that many jobs because we're asking huge corporations to share, with those of us who work for a living, the burden of funding our state and local governments. Of course, no mention will be made that economists all agree (at least those not already hired by big business) that tax cuts are the absolute *worst* way to stimulate an economy;

infrastructure spending (i.e. schools and bridges and highways) creates far more jobs than just giving Bank Of America a lighter tax bill.

Another tack opponents will take: corporations will abandon California. And to that we Progressives have to ask bluntly, "and your point would be...what?". None of these new tax laws, if We The People allow them to take effect, are going to help small businesses. How is it a bad thing if some locally-owned hardware store or grocer (whose owners pay their fair share) gets to play the game on level ground because Home Depot or Trader Joe's actually have to pay their taxes?

Nobody likes paying taxes. But everyone has to kick in their fair share no matter how many State Senators money can buy. Vote "Yes" on Proposition 24.

## **ADDITIONAL ANALYSIS ON PROPOSITION 24**

### **Yes on Prop 24 from Bill Balderston**

Prop 24- corporate tax loopholes ---YES, YES

While this is an initiative that attacks regressive tax distribution, it is one that never should have been necessary. The corporate tax loopholes (equating to nearly \$2 billion) that it is designed to halt (before full implementation this fiscal year) were all agreed to by both the GOP and Democratic leaderships at the end of last year's (February 2009) budget chaos, even while facing more than \$20 billion in deficit. There are three main features to Prop 24:

- it repeals a law that allows business to shift operating tax losses into the past and future;
- it repeals a law that allows corporations to share tax credits with affiliated corporations (87% of these monies would go to 0.03% of California corporations, all with gross income over \$1 billion)
- finally, it repeals a law that would allow multistate businesses to use only sales-based income and not have to include property and payroll.

This proposition has been largely initiated by the California Teachers Association, with much help from the California Tax Reform Association. We strongly urge a "Yes" vote on Proposition 24.

## **ADDITIONAL ANALYSIS ON PROPOSITION 24**

**by Jeanne Rosenmeier**

### **Background**

California has a structural deficit which makes it difficult and painful to balance state revenue with its expenditures. Taxes paid by individuals, both income and sales taxes, have been raised. Meanwhile, corporate taxes were reduced by the three items this initiative seeks to reverse. The official corporate tax rate is 8.64%, but according to the *California Budget Project* the average rate paid by corporations in 2006 (the most recent

year available) was only 5.2% due to loopholes and accelerated write-offs. The actual rate paid by corporations has been declining steadily since 1987.

## **Net operating loss carryback**

Prop 24 would reverse the enactment of a carryback provision for net operating losses (NOL), and would shorten the carryforward period from 20 years to the prior length (which depends on the type of corporation but is usually 10 years). In other words, Prop 24 would tighten up the NOL rules.

For federal income tax purposes, business losses can be carried back two years and forward 20 years to offset past and future earnings. The purpose of the federal rule is to assess taxes on businesses in a cumulative way that takes into account the ups and downs of the economy and the business cycle. The federal government has enacted a special extended carryback period for losses incurred in 2008 only.

California has never conformed to the NOL carryback concept. Prior to 1994, there was no recognition of net operating losses for California tax. Since then, net operating losses have sometimes been allowed against future income in part or one-for-one. In some years the use of net operating losses has been suspended.

The recent enactment of a carryback privilege for these losses was intended to be a recognition of the severity of the downturn in the economy. The tax break would also extend the carryforward to 20 years. The biggest beneficiaries are likely to be large construction companies, who were extremely profitable before the crash, and thus have profitable years which the current loss years could offset, generating large refunds. Some small businesses will also benefit, although most small businesses pay out most of their profits in wages and salaries.

**Recommendation:** This is not a black or white issue, but because this tax break mainly benefits large corporations, and because there are already too many tax breaks for corporations, I recommend supporting this provision (we support reversing the tax break).

## **Tax Credit Sharing Among Related Corporations**

Often corporations are unable to use all the tax credits they are entitled to in a single year because they don't have enough tax due. The credits are usually carried forward. Sometimes credits expire before they can be used up because the corporation doesn't have enough profit.

Prop 24 would reverse the current rule, which allows corporations to transfer credits to other "related" corporations. Related corporations have owners who are mostly the same persons or members of a family. This would include corporations owning each other.

These complicated ownership structures are often used to divide up different activities so that the owners have better liability protection. For instance, a construction company might form a corporation just to do one project, often as a joint venture with other corporations. This kind of thing is rarely worth the trouble for very small businesses. The ability to swap around unused credits among related corporations would allow the shareholders to have their cake and eat it too: the liability protection of the corporate structure would be broken into small pieces, but the tax credit benefits would be used as though it were one big corporation.

**Recommendation:** This is another case of privatizing revenues, while letting the taxpayers pick up the tab for losses. I recommend supporting this provision (reversing this tax loophole).

## Annual Election for Apportioning Income

Corporations that do business in California and states or countries other than California pay California corporation tax only on their California-source income. The allocation of income between California-source and non-California-source has been an area of conflict for a long time. Prior to the new rules, net income was allocated based on a three part formula. Basically, each multistate corporation calculated three ratios: 1) California sales to total sales, 2) California assets to total assets, and 3) California wages to total wages. Then the three ratios were added together, with ratio 1) being added in twice; the total was divided by four. The resulting ratio was used to determine the percentage of the corporation's total net income taxable by California.

As part of the budget deal last year, corporations were allowed to elect each year whether to use only one of the three ratios, thus allowing out-of-state corporations to significantly reduce their state corporation taxes. It is an enormous loophole that has no benefit whatever to local businesses. Supporters of this tax break claim that it encourages corporations to keep jobs in California by potentially removing the payroll ratio from the income allocation calculation.

Prop 24 would repeal the choice, and once more require out-of-state corporations to use the standard calculation to determine the percentage of income taxable in California.

The biggest opponent of this provision is Walt Disney Co. It would pay much less California tax because its sales are worldwide, though most employees are in California. Some corporations might decide where to locate its good jobs based on state tax laws. Small businesses will be unaffected. This is a gift to large corporations.

**Recommendation:** Since the Green Party believes that our economy should be based on local businesses, I recommend supporting this provision (to re-close the loophole).

Overall, I recommend supporting Prop 24, which closes some newly-enacted tax loopholes.

## PROPOSITION 25 -- MAJORITY VOTE FOR STATE BUDGET

*Lowers the legislative vote required for adopting a state budget from two-thirds to a simple majority. Major funding support provided by California Federation of Teachers, AFSCME, California School Employees Association, California Faculty Association, and California Professional Firefighters. Major opposition funding provided by California Chamber of Commerce, The Wine Institute, MillerCoors, California Beer & Beverage Distributors, Crown Imports LLC, and ConocoPhillips.*

### Argument

From Bill Balderston:

Prop 25 - removing supermajority to pass the state budget ---YES, with very strong reservations

This measure, emerging from language proposed by state senator Loni Hancock, is also rooted in the state budget process fiasco, but is at best a half-way measure. Unlike the proposed California democracy Act (which

did not make the ballot), Prop 25 ONLY removes the two-thirds requirement for the passage of the state budget without addressing the supermajority for revenues. It's major supporters, including the California Federation of Teachers, maintain it is a step towards democratization of the budget process and that polling indicates defeat on any such initiative dealing with taxation. Those more critical of this measure see it as a potential source of frustration, especially in this age of massive defunding of state social programs, which could actually encourage many Democrats to make greater compromises on progressive spending because a simple majority is all that's necessary to pass the budget.

If one had more confidence in the forces backing this measure to follow up on the revenue equivalent, it would be easier to embrace and not perceive it as a bridge half-built that would leave us floundering mid-stream. In other words, if Prop. 25 passes, we're not sure if a movement to overturn the 2/3 requirement for raising revenues will actually be able to develop, and since that monumental revenue hurdle has arguably been the biggest single factor in destroying California's public sphere over the past 30 years, we're lukewarm in the extreme regarding our degree of support for Prop. 25.

**Recommended Position : YES with very strong reservations**

## **PROPOSITION 26 -- TWO-THIRDS VOTE FOR LEVIES AND CHARGES**

*Increases to two-thirds, from a simple majority, the vote required for the Legislature to adopt state levies and charges, with limited exceptions. Requires two-thirds vote of the public for local levies and charges, with limited exceptions. Proponent: Allan Zaremberg, president of California Chamber of Commerce.*

### **Argument**

From Bill Balderston:

Prop 26 - extend the two-thirds majority to all income items --- NO,NO

If Prop 25 is only a half-way measure, Prop 26 would be a big step backwards, extending the two-thirds requirement to all government fees and other income measures not currently requiring it. This clearly is an attempt by the right-populist, Jarvisite forces to hit back at Props 24 and 25 and continue the anti-tax momentum, with no discussion on upward or downward redistribution of resources. Likely all unions and community-based organizations will oppose this regressive item. The Green Party does not at all agree with the proponents of this measure, that a minority of just 34% should be allowed to have veto power over the very strong majority of 66%. Please vote "No" on Proposition 26.

**Recommended Position: NO**