Making the Case for Public Investments in California

Chris Hoene
Executive Director, California Budget & Policy Center
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California Policies 2011-2016

Policies by Category and Year Enacted
Recent California Tax Policy Wins

2012 to 2018

• Prop. 30 (2012): Temporary income tax increases on highest earners and temporary sales tax increase.
• Prop. 55 (2016): Extends income tax rate increases to 2030.
• Tobacco tax increase (2016)
• Gas tax and fuel-related fee increases (2017)
• Additional real estate transaction tax (2018)
Prop. 30 guarantees funding for education and public safety.

Prop. 30 is critical to balancing the budget and is a balanced approach.

Strick accountability measures

Threat of future cuts.
• Prop. 30 will fund our future (schools, libraries, families).

• The wealthy need to pay their fair share.

• This is the first step to restoring the cuts and rebuilding the California Dream.
Prop. 55: Messaging to Shift Consciousness

Students, Teachers, Parents, and Advocates

- Continuing to fund our future (children, families, prosperity).
- The wealthy need to pay their fair share.
- Rebuilding the California Dream.
- We can’t risk going back.
Tobacco and Gas Tax Increases

“It’s about time” – lack of revenues undermine investment


- #1 cause of preventable death in California
- 2 states left in the US that have not increased tobacco taxes since 1998 (excluding California)
- 90% of smokers who start as teenagers
- $30 Million provided by tax increase for California’s oral health programs

Figure INT-03
SB 1 Restores Lost Purchasing Power for the Gas Tax

- Inflation adjusted Rate Per Gallon
- Actual Rate per Gallon

[Graph showing the trend of gas tax rates from 1990 to 2025]
Employment and GDP Growth 2011 to 2016

California vs. Average of Republican-Controlled States
Wage Growth by Percentile 2014 to 2016
California vs. Average of Republican-Controlled States

[Bar chart showing wage growth by percentile for California and Republican-controlled states from 2014 to 2016.]
Total Employment Growth Relative to 2011

Total Employment Indexed to 100 for 2011

- Orange line: California
- Dark line: Synthetic California

Beginning of CPM →
Employment and GDP Growth 2011 to 2016
CA vs. Avg. of Republican-Controlled States and Syn. CA

<table>
<thead>
<tr>
<th>Category</th>
<th>California</th>
<th>Republican State Average</th>
<th>Synthetic California</th>
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</thead>
<tbody>
<tr>
<td>Total Employment</td>
<td>16.9%</td>
<td>12.2%</td>
<td>13.0%</td>
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<tr>
<td>Private-Sector Employment</td>
<td>20.5%</td>
<td>15.7%</td>
<td>13.3%</td>
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<tr>
<td>State GDP</td>
<td>17.2%</td>
<td>9.8%</td>
<td>10.9%</td>
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What Do We Think We Are Learning?

...so far

- Move from doom to aspiration (unless you’re in a crisis).

- Connect government to the California Dream (concrete examples, stories, etc.)

- Recasting heroes, villains, and victims – reversing the post-Prop. 13 narrative.

- Investments are good for the California economy and broaden prosperity.

- Organizing the “new California electorate” is making the difference.
What Do We Think We Are Learning?

...so far

- Formation of long-term alliances between grassroots organizations across the state are the “secret sauce.”

- There are no silver bullets – “achieving progressive, systemic solutions requires serious analysis and multi-year collaborations.”
What Happens Next?

Moving backward???

- Gas tax repeal?
What Happens Next?

Moving forward…

• Prop. 13 (property tax) reform?

• Responding, if needed, to federal actions?
Contact Information

Chris Hoene  
choene@calbudgetcenter.org  
916.444.0500  
Calbudgetcenter.org