California Council of Churches IMPACT

Ballot Proposition Recommendations for the November 3, 2026 General Election

This election season brings California voters a mix of straightforward and complex ballot measures — five referenda (legislation already passed but requiring voter approval) and nine propositions. Here are our recommendations.

The first five measures are legislative referenda. Under our Constitution, bonds, taxes, and most other fiscal increases require voter ratification.

We assess these against the state's financial health and fiscal responsibility. This year's budget, and next year's, are in strong shape: California has met its mandated expenditures, including funding its required "rainy day" reserves and paying interest on previously approved bonds. That fiscal strength is a major factor in our recommendations — this is a good time to act for the common good.

Proposition 1. The Veterans and Affordable Housing Bond Act of 2026.

This bipartisan proposition ratifies SB 417 (Limon) authorizing an $11.25 billion bond to cover the programs for housing already in law for various kinds of non-retail housing such as emergency shelters for abuse victims, farmworker housing, veterans housing, housing for very low and low-income residents. In addition, these programs offer financial assistance to first-time homebuyers. You may recall those propositions from earlier ballots. Those passed and now need financial replenishment. These housing programs have been lifelines for low-income people and for those without safe and permanent homes such as our agricultural workers and victims of domestic violence.

Recommend a YES vote

Proposition 2. Save for California's Future Act. Constitutional Amendment

This proposition would uphold an Assembly Constitutional Amendment, ACA 20 (Gabriel) to increase the amount directed into our "Rainy Day Fund" from a cap of 10% to 20% of projected spending. There are actually four funds, three of which are tightly controlled by existing Constitutional directives already authorized. The fourth is more fluid and can be used without many restrictions. This would impact the main fund and be tightly controlled. It has one opponent who has declared that it's all just a 'slush fund' used to pay for unfettered spending, but that, legally and factually, is not accurate. Given the high risks of natural disasters in the state, fire, flooding, earthquakes, and the uncertainty of Federal Emergency Management Agency (FEMA) support for our state during crises, this seems a wise and highly responsible change to our savings. Passage will:

- Increase the constitutional cap on California's main rainy-day fund, from 10% to 20%:
- Fully protect guaranteed funding for California's public schools
- Increase the amount saved in the rainy-day fund during years when taxes generated by capital gains and other asset-related income reach especially high levels
- Extends the requirement that certain funds be dedicated to paying down state liabilities and expands the types of liabilities that can be paid down, including for schools and federal Unemployment Insurance loans.

Recommend a YES vote

Proposition 3. Renew State Income Tax Increase for Education Funding Initiative

In 2012 voters passed Prop. 30 and renewed in 2016 with Prop. 55 that upper income earners would be taxed at a higher marginal rate to support K-12 and community colleges. Prop. 55 rates are due to expire 2031. Given the federal funding losses coming to every state, California is going to be hard pressed to make up the shortfall. This proposition would make those rates permanent. They would impact earners making adjusted earnings of at least $360,000 individually or $721,000 jointly. The funds from this tax on upper income earners would be divided with 89% going to K-12 funding and 11% to community colleges. We will need this funding for the foreseeable future of our state's children.

Recommend a YES vote

Proposition 4. Allow Public Financing of Election Campaigns Measure. Fair Elections Act of 2026.

This proposition would let voters ratify significant changes to Proposition 73 (1988), which limited public financing of campaigns. Under current law, only charter cities — not the state, counties, or general law cities and towns — may offer publicly financed campaigns. To date, only five charter cities have some form of public campaign financing: San Francisco, Oakland, Berkeley, Los Angeles, and Long Beach. A 2016 legislative effort to change this (which California Church IMPACT supported) failed in court, since Prop. 73 doesn't easily permit legislative alteration. This measure follows the ballot process Prop. 73 itself requires.

Since Citizens United, corporate donations have flooded not campaigns directly but Political Action Committee (PAC) funds — some "independent" of candidates, others run by candidates who can accept large personal and corporate contributions. This has pushed donation totals to once-unimaginable heights, raising concerns about undue influence from wealthy donors. California already has some of the nation's most restrictive donation limits, but they don't prohibit self-financing or the aggregation of many donations into large pools. Money hasn't produced more free speech, as some hoped — it has produced undue influence.

It's unlikely that a small donation would "buy" an elected official at the state or local level, but it's plausible that maximum donors gain outsized influence over those who give less. This proposition would expand public financing from charter cities to the entire state — offering, in effect, freedom from outside influence for candidates and voters alike.

Opposition largely centers on taxpayers not wanting their dollars funding candidates they oppose. Because this measure requires voter approval, that concern is largely moot — and the cost is modest: an estimated $1–5 per taxpayer annually. That's a small price to reduce money's role in shaping elections. Concerns that public financing won't be enough for candidates facing corporate-funded opponents can also be set aside: it's proven sufficient for candidates to reach voters. The current mayor of Los Angeles ran on public financing against a billionaire opponent — and won.

Recommend a YES vote.

Proposition 5. Eliminate State Officer Recall Successor Elections Amendment.

This proposition would end California's current practice of holding a recall election and the replacement election simultaneously. Instead, depending on proximity to a general election, it offers several alternatives: keeping the office vacant until the next general election; installing a statutorily authorized successor in an "acting" capacity; having the lieutenant governor fill the position temporarily; or calling a special election. The recalled official would be allowed to run again in a subsequent election.

California has recalled a governor only twice. The more recent case, in 2003, saw then-Governor Gray Davis recalled in an election with 135 replacement candidates on the ballot — virtually none well known, let alone well vetted. The winner was Arnold Schwarzenegger, a Hollywood actor with strong name recognition but no political track record.

To avoid a repeat of that scenario, this proposition aims to bring more order to how California fills gubernatorial vacancies after a recall.

Recommend a YES vote

Proposition 37. Second Mortgage Homebuyer Program and Revenue Bond Initiative.

This proposition has many layers — real promise, but possible downsides too.

California's housing prices sit markedly above the national median, clearly driving homelessness, forced relocation, and hardship for families and elders needing to downsize. This measure would authorize the California Housing Finance Agency to issue $35 billion in bonds, offering financial help to buyers at or below 200% of their county's poverty level. Buyers would still need a 3% down payment, but the rest could be financed through a second mortgage — one that can be suspended without penalty during financial hardship. Qualifying buyers must have lived in California for at least a year, be first purchasers of a new residence, and agree to live there as their sole residence for at least a year. The maximum home value is capped at $1.6 million. Because all loans would be repaid, the program is designed to be net zero cost to the state.

Qualifying homes include single-family houses, townhouses, condos, manufactured homes, and even new condo conversions of previously non-residential buildings such as offices. Supporters see homeownership as a major driver of family wealth-building, and the program targets middle-class buyers now priced out of the market — with the biggest impact likely outside the high-cost urban hubs. California is a national anomaly in that existing homes cost more than newly built ones; supporters hope this program will push builders toward smaller starter homes rather than larger, higher-margin ones. The measure is backed by a coalition of housing advocates, realtors, and carpenters' unions.

California already offers assistance programs for buyers of existing homes, some more generous than this one, along with various local programs — most aimed at middle- and lower-middle-income buyers. Supporters argue that buying an older home means inheriting its problems, but critics counter that an exclusive focus on new construction leaves existing housing stock unaddressed, potentially accelerating community deterioration.

The emphasis on new construction raises other concerns. Nothing in this measure prevents developers from converting farmland and open space into new housing tracts, and it doesn't require the infrastructure — schools, transit, childcare — that typically accompanies that growth. It isn't explicitly aligned with California's Sustainable Communities and Climate Protection Act (SB 375); that act may still apply, but nothing in this proposition mandates it, and enforcement is left to counties, many of which don't enforce it consistently. Given the state's climate goals, that gap is a real concern.

With those reservations noted, in a climate of poor housing access and affordability, a measure that helps people buy a home is probably, on balance, a plus.

Recommend a YES vote.

Proposition 38. Immunology and Immunotherapy Research Funding Initiative.

This measure would authorize the state to raise $8.4 billion in general obligation bonds for immunology and immunotherapy research, funding a new research institute affiliated with the University of California along with grants to existing California research programs in the field.

Such a program has rarely been more needed. Federal research funding has faced steep cuts, particularly in this area, and the retreat from supporting science has set back important work. With breakthrough discoveries on cancer, heart disease, Alzheimer's, and Parkinson's already underway, these federal cuts threaten real progress. Passage of Proposition 38 would position California to resume and expand research that saves lives and improves quality of life, and could draw researchers from other institutions to relocate here. The case for California's leadership in cutting-edge medical research has rarely been stronger — this could, quite literally, save lives.

Recommend a YES vote

Vote for the common good. Vote for democracy. Vote!

Proposition 39. Voter Identification, Citizenship Verification, and Registered Voter List Administration Initiative.

Did you sign the petition for this initiative? Did you have to show federally qualified ID to do it? No — because signature-gathering is already scrutinized for legal residence and the right to participate in our elections. Voting works exactly the same way.

This proposition is essentially an end-run around the failed federal SAVE (Safeguard Voter Eligibility) Act. Like that bill, it would require new state and federal identification, shown at the polls or entered as the last four digits on mailed or dropped-off ballot envelopes.

For forty years, conservative think tanks like the Heritage Foundation have searched for evidence of ineligible voters. The number found — out of billions of votes cast — is fewer than 100. And the widely cited "dog that voted in Orange County" case doesn't show a system failure: the woman who registered and voted using her dog's name was arrested as soon as it was discovered. The system worked as designed.

Opponents argue this measure would function as a de facto poll tax — burdening low-income voters, people with disabilities, the elderly and infirm, and others who face barriers to obtaining new ID, while disproportionately affecting voters of color, new citizens, and others likely to oppose the measure's backers.

Critics conclude there's no evidence of meaningful voter fraud, and no reason to impose new barriers, costs, or hardships on eligible voters — calling Prop. 39 an attempt at voter suppression rather than a fraud-prevention measure. **There is no voter fraud**.

Recommend a NO vote

Proposition 40. One-Time Wealth Tax for State-Funded Health Care Programs Initiative.

There is no precedent for this initiative — no state has ever attempted to impose a wealth tax on its richest residents. Still, the elements are worth walking through.

If passed, this would impose a one-time 5% levy on wealth over $1 billion — for individuals, trusts, and other holdings, including personal property such as artwork — payable with 2026 taxes due in 2027. The revenue would fund health care and education for the state's lowest-income families and individuals: 90% to health, 10% to education.

Much of the federal deficit traces to the large tax cuts given to top earners. Spending was supposed to fall in response but didn't — instead, programs for people in need were cut: Medicaid (Medi-Cal in California), SNAP, and other food assistance. Those safety-net programs weren't the drivers of rising federal debt; war spending, subsidies for the wealthy, and other factors have kept spending high even as tax cuts reduced revenue.

There is currently no proposed budget for basic safety-net programs beyond this year, and California is already seeing cuts: the state, along with a few others, is having Medicaid funds withheld over disputed fraud claims. As the wealthiest state in the nation, California is home to many beneficiaries of those federal tax cuts — some of whom pay little or no tax at all. Whether a wealth tax would drive billionaires to leave is uncertain; many have long used transfer pricing, moving assets across jurisdictions to reduce tax liability, meaning much of the taxable wealth may already be beyond the state's reach. That's a structural challenge of state-level taxation in a federal system.

The bigger problem with this measure may be constitutional: it could function as a retroactive tax, applying back to January 1, 2026, on wealth accumulated before the tax existed. Ex post facto laws are generally unconstitutional — conduct legal when it occurred typically can't be penalized retroactively, even in civil matters. This would likely be resolved in court.

Despite those drawbacks, supporters point to a principle of equity: those with the most wealth bear a proportionally greater responsibility. The U.S. has never operated as a pure free market — policy choices have long shaped wealth accumulation at the top, which is part of why the country adopted a graduated tax system in the first place. Some frame this in moral or religious terms, citing the principle "from those to whom much is given, much is required."

Given the practical and legal hurdles, supporters argue the measure is worth attempting as a remedy for growing inequality.

Recommend a YES vote

Proposition 41. Prohibit Excluding New State Taxes from Spending Limit and Require Special Tax Audits Initiative.

This measure would ostensibly bring transparency to ballot measures by requiring 25% of signatures to be gathered before a measure qualifies for a vote. It would also require any new tax passed in 2026 or later to be audited every four years for effective spending, and would prohibit any tax that creates spending exempt from the state's "Gann Limit."

While framed as a general reform, this measure is particularly aimed at reining in Proposition 40 should it pass, and at potential new taxes under Proposition 42. In the interest of transparency: this measure is financially sponsored by a Google founder.

On the audit provision: this oversight already exists through the Legislative Analyst's Office (LAO), whose cost and consequence assessments are publicly available. Auditing a measure before it even qualifies for the ballot isn't cost-effective — it would waste LAO resources on proposals that may never reach voters.

On the spending-accountability piece: California Council of Churches IMPACT routinely reviews past measures that funded similar issues, checking whether those funds were fully spent and met their intended use. In some cases, we've recommended against new spending because earlier funding wasn't fully implemented. We can do this because the state already conducts ongoing audits — not exciting reading, but available for exactly this kind of analysis.

Finally, every bill submitted to the Legislature, and every initiative proposed for the ballot, already undergoes legal review. Legislative Counsel reviews bills; the Attorney General reviews initiatives before they qualify, including compliance with the Gann Limit and whether a measure may legally sit outside the state budget in an independent fund — similar to how Social Security and Medicare operate at the federal level. The Attorney General determines which measures qualify for that treatment.

In short, what this measure calls for is already being done. The proponents simply don't like the results — and that's not a reason to duplicate existing processes in hopes of a different outcome.

Recommend a NO vote

Proposition 42. Prohibit New Taxes on Retirement Holdings, Personal Assets, and Savings and Limit Retroactive Taxes Initiative. Constitutional Amendment.

This measure, a constitutional amendment, would permanently prohibit the kinds of taxes proposed in Proposition 40 on individuals with $1 billion or more in income and assets. Part of what Proposition 40 would tax is retirement holdings and savings for those above that threshold.

The public case for Proposition 42 leans heavily on concern for the retirement savings of ordinary working people — as if any of us hold $1 billion or more in those accounts. (If you do, we'd be happy to discuss a tax-deductible donation.)

Proposition 40 has no bearing on "widows and orphans" and won't touch the vast majority of Californians in any way. Nor will it risk turning billionaires into people sleeping under bridges. This is a shameless attempt to make voters fear losing their hard-earned savings and retirement plans, when the measure it targets applies to billionaires only.

Small businesses would also be unaffected. The legal definition of a small business is 500 employees or fewer, assets not exceeding $15 million (not billion), and annual revenue of $5 million or less. A few industries qualify as small business outside that threshold, but even those remain in the millions-of-dollars range, not billions. None would be touched by Prop. 40.

This measure is a cynical attempt to tug at voters' heartstrings with unwarranted fears about harming "small business." Whether one supports or opposes Proposition 40, these two provisions — 41 and 42 — should be turned down either way. They serve no public interest and only add confusion to the ballot.

Recommend a NO vote

Proposition 43. Two-Thirds Vote Requirement for Local Special Tax Initiatives and Property Tax Initiative Prohibition Amendment.

Starting with Proposition 218 in 1996, local government efforts to raise taxes via ballot measure required a two-thirds majority to pass. In 2020, however, the California Supreme Court — upholding an appellate court decision — ruled that the two-thirds requirement did not apply to citizen-initiated ballot measures raising taxes for special purposes.

Most of these citizen-initiated measures created new taxes for special-purpose funds, such as homeless services. Because they originated from citizens rather than local government, and funded specific purposes rather than general government operations, the court held they could pass with a simple majority. Special-purpose taxes proposed by local governments themselves still require a two-thirds vote.

This 2026 proposition seeks a constitutional amendment making the two-thirds standard absolute across the board, regardless of who initiates the tax or how the revenue is used. It would invalidate the 2020 court ruling — but would also bar ordinary citizens from pursuing focused, achievable tax solutions to local problems.

Recommend a NO vote

Proposition 44. Spending Requirements for Federally Qualified Health Centers Initiative

This proposition is sponsored by Service Employees International Union-United Healthcare Workers-West (SEIU-UHW-West), an organization California Church IMPACT has had a long and productive alliance with. That said, this measure raises questions worth addressing.

The measure would require all Federally Qualified Health Centers (FQHCs) to spend 90% of their revenue on direct care services. An FQHC is defined by:

- Being located in or serving a high-need community
- Being governed by a community board made up of at least 51% health center patients
- Providing comprehensive healthcare on a sliding fee scale based on ability to pay
- Holding status as a Health Center Program award recipient or "look-alike" (look-alikes receive Medi-Cal and Medicare reimbursement but no other federal funding)

All FQHCs in California are nonprofits. Conventional nonprofit operating costs run 20-35%, covering office and support staff; the remainder funds direct patient care, including wages for staff with direct patient contact. Operating costs vary by organization but can include the executive director, bookkeeping, medical coding, community outreach, fundraising, and equipment and supply management — in short, this funds the support infrastructure behind direct care.

As discussed in our analysis of Proposition 40, federal Medi-Cal and clinic funding has been drastically cut or eliminated, leaving the state to cover as much of the gap as it can. Support staff are already being laid off in some locations, and support services reduced. How to protect what remains — especially if Proposition 40 fails or underperforms — is a pressing concern across providers serving low-income communities.

We think it's unrealistic to impose an arbitrary cap on funding for the support services behind direct care. There may well be room to review executive compensation, particularly amid a funding crisis, but clinics will protect patient services by mission first, and are already cutting support staff before anything else.

Even if federal funding resumes, or Prop. 40 revenue materializes, Proposition 44's 90% mandate could still prove risky to clinics' well-regulated functioning. If a clinic can't adequately fund medical coding, supply management, or fundraising within the remaining 10%, care quality suffers too — support staff aren't a frill.

Good management tends to favor lean staffing during hard times, but robust staffing is the healthier long-term goal. We believe standard nonprofit practices should guide operations in good times, not just lean ones — and that this measure is too rigid to serve clinics well over the long term.

Recommend a NO vote

Proposition 45. Expedited Environmental Review Process for Certain Projects Initiative

This proposition would expedite permitting for projects subject to California's environmental review process. As summarized by Ballotpedia:

The initiative would amend the California Environmental Quality Act (CEQA) and the Permit Streamlining Act, shortening review timelines for a defined set of essential projects — housing, water systems (excluding Delta conveyance), clean energy, medical facilities, public safety infrastructure (excluding jails/prisons), broadband, education, and transportation (excluding high-speed rail).

Agencies would have 30 days to determine whether an application is complete — covering environmental review, permitting, and court proceedings. If no determination is made in that window, the application is automatically deemed complete, even when local general plan or zoning changes are required. This 30-day rule applies to both lead agencies (principally responsible for approval) and responsible agencies (other public agencies with a role in the process).

A key provision requires that Native American tribes have input on any project affecting their interests, lands, sacred sites, or quality of life — before the matter goes to the public. The general public, by contrast, would have only 30 business days to weigh in on projects affecting their homes, farms, and businesses.

The initiative would also shift timelines from calendar days to business days, require lead agencies to issue permit decisions simultaneously with environmental review rather than after, and let applicants either grant agencies more time on missed deadlines or request a hearing. It would authorize court challenges to adverse decisions, with a 270-day resolution requirement (extendable by 90 days).

The central concern is the shortened review and public comment windows. California Church IMPACT has direct experience with how complex these reviews can be — reaching a compromise that satisfies both environmental law and community concerns often takes months of hearings and public input.

Anyone who's engaged with a proposed housing development, industrial expansion, or similar project knows citizens need real time to understand what's proposed, ask about mitigation, and weigh the impact on their lives.

Beyond the expected opposition from environmental and public interest groups, it's notable that the State Building and Construction Trades Council also opposes this measure — despite standing to benefit from faster construction timelines. Their president stated that the measure would weaken environmental standards and shut the public out of adequate response time, a striking objection given the group's own financial interest in the outcome.

Through our long-standing work with California Forward, we've come to understand that California's regulatory framework is a tangle of laws — often in conflict with federal standards and sometimes with each other. No one disputes that cleanup is needed, but this isn't the way to do it. Decades of work went into making California one of the safest states environmentally; this measure, as Building Trades itself has noted, risks undoing much of that progress. With AI data centers expanding rapidly, this is a poor time to reduce communities' capacity to evaluate their impact. We cannot support weakening environmental protections to ease the path for builders.

Recommend a NO vote

Spread the Word!

Help spread the word! From now until the election, we invite members and friends to share these ballot guides through **IMPACT Sundays** — visit our website to learn more and get involved.

Thank you for caring enough to dig into these issues. Thoughtful, active deliberation on the questions before voters is exactly what our democracy — and our faith — calls us to do, and we're grateful to walk that path with you.

If these guides have helped you vote with clarity and conscience, consider chipping in with a contribution to California Council of Churches IMPACT. Every gift helps us keep doing this work.

And here's an easy way to help for free: make sure we have your email! Postage costs add up fast, so going electronic lets us reach more people for less. Click **"Join Our Mailing List"** on our website and stay connected — it takes 30 seconds and makes a real difference.

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Proposition 1: Yes
Proposition 2: Yes
Proposition 3: Yes
Proposition 4: Yes
Proposition 5: Yes
Proposition 37: Yes
Proposition 38: Yes
Proposition 39: No
Proposition 40: Yes
Proposition 41: No
Proposition 42: No
Proposition 43: No
Proposition 44: No
Proposition 45: No