



STOP THE SPECIAL EXEMPTIONS ACT

Frequently Asked Questions about Prop 32: The Special Exemptions Act

What is Prop 32: The Special Exemptions Act?

Prop 32 is not what it seems. While promising “political reform,” Prop 32 was intentionally written to create special exemptions for billionaire businessmen and corporate special interests to give them even more political power to write their own set of rules. It exempts secretive Super PACs, which can raise unlimited amounts of money from corporate special interests to support their candidates and does nothing to stop anonymous donors from influencing elections. It doesn’t solve Sacramento’s problems because it was intentionally written to restrict only some companies, while providing huge exemptions to others, like Wall Street investment firms, hedge funds and insurance companies. And finally, it unfairly singles out teachers, nurses, firefighters and other workers and limits their voices on issues that matter to all of us – like cuts to our schools and colleges, police and fire response times, workplace safety, consumer protections, homeowners rights and unfair corporate tax giveaways.

Who is supporting Prop 32?

The supporters of Prop 32 are former insurance company executives, Wall Street executives, developers, venture capitalists and big money donors to conservative causes who have tried unsuccessfully to pass this measure twice before in 1998 and 2005, and who stand to benefit from the initiative’s special exemptions. The Lincoln Club of Orange County funded the effort to put the measure on the ballot. The Lincoln Club has no interest in real campaign finance reform. In fact, the group was behind the *Citizens United* Supreme Court decision, which completely gutted federal campaign finance reform and led to the rise of influential Super PACs.

Who is opposing Prop 32?

Prop 32 is broadly opposed by non-partisan “good government” groups like the League of Women Voters of California, California Common Cause, California Clean Money Campaign and others who say they are against it because the special exemptions in the measure will make the system much worse. It’s also opposed by a wide array of public safety organizations, labor unions, community groups, educators and civil rights organizations.

Isn’t Prop 32 a fair way to get all special interest money out of politics?

No. Prop 32 does nothing to level the playing field and it actually makes the political system much worse. Prop 32 was intentionally written to EXEMPT Super PACs, which are organizations that elect or defeat candidates and ballot measures, but without any of the spending restrictions or transparency requirements that limit campaigns themselves.

Since these secretive committees don’t contribute directly to candidates, they can continue to receive and spend unlimited amounts of money from corporate special interests and billionaire businessmen to support their friends or defeat their enemies. And it does nothing to stop anonymous donors from influencing elections. According to the *Los Angeles Times*, the measure “would just expand unaccountable, independent expenditure committees, the super-PACs.” (*Los Angeles Times*, George Skelton, 4/26/2012)

Corporations have spent hundreds of millions of dollars over the last decade on ballot measures and independent expenditure campaigns in our state. The Special Exemptions Act does nothing to change that. Secretive Super PACs will become the law of the land in California, with no accountability, checks or balances, and wealthy special interests will have more power in politics than ever before.

But aren't the measure's supporters calling this measure "campaign finance reform"?

Take a close look – Prop 32, the Special Exemptions Act, is not at all what it seems. Real political reform treats everyone equally, with no special exemptions for anyone. But the Special Exemptions Act was intentionally written to EXEMPT thousands of big businesses like Wall Street investment firms, hedge funds, developers, and insurance companies. Over 1000 of the companies which would be exempted by this measure are listed as Major Donors by the California Secretary of State, and they have contributed more than \$10,000,000 to political campaigns, just since 2009.

The *Sacramento Bee* reported, "The initiative would not curtail donations by insurance companies, among the largest donors to political campaigns, or to corporations that create limited liability corporations, as major pharmaceutical companies and others have done." (*Sacramento Bee, Dan Morain, 6/10/2012*)

Isn't this measure even-handed? Aren't unions and corporations impacted the same?

It's not at all a balanced approach. Prop 32, the Special Exemptions Act, unfairly singles out and limits the voices of teachers, nurses and the firefighters who keep us safe. Prop 32 prohibits unions from using payroll-deducted funds for political purposes. It says it also applies to corporations, so it sounds balanced. But 99% of California corporations don't use payroll deductions for political giving; they would still be allowed to use their profits to influence elections. That's not fair or balanced.

Just take a look at the official summary of the initiative, which demonstrates the imbalance: "Other political expenditures remain unrestricted, including corporate expenditures from available resources not limited by payroll deduction prohibition."

That is why the Orange County Register clearly states the initiative's backers know it "would harm their union opponents more than it would harm business interests." – (*Orange County Register Editorial, 8/11/2012*)

What will happen if Prop 32 passes?

The Special Exemptions Act will actually make things worse. Sacramento has too much partisan bickering and gridlock. The dramatic increase in money spent on political campaigns has caused all of us to mistrust the political campaign system. But the sponsors of the initiative are trying to use our disappointment, anger and mistrust to change the rules for their own benefit and give them more political power.

Some people say, 'I know this is unbalanced but it's a step forward.' Here's the problem with that. Restricting workers and their unions, while doing nothing to stop corporate special interests from electing politicians who will be beholden to them, will result in more cuts to public education and health care, in gutting clean air and water safety protections, in rolling back workplace safety and consumer protections, and in unfair corporate tax giveaways. And that hurts all of us.

No on 32, sponsored by educators, firefighters, school employees, health care providers, police officers and labor organizations opposed to special exemptions from campaign finance rules for corporate special interests. Major funding by California Teachers Association/Issues PAC (committee) and California Professional Firefighters Ballot Issues Committee and IE PAC (committee)