

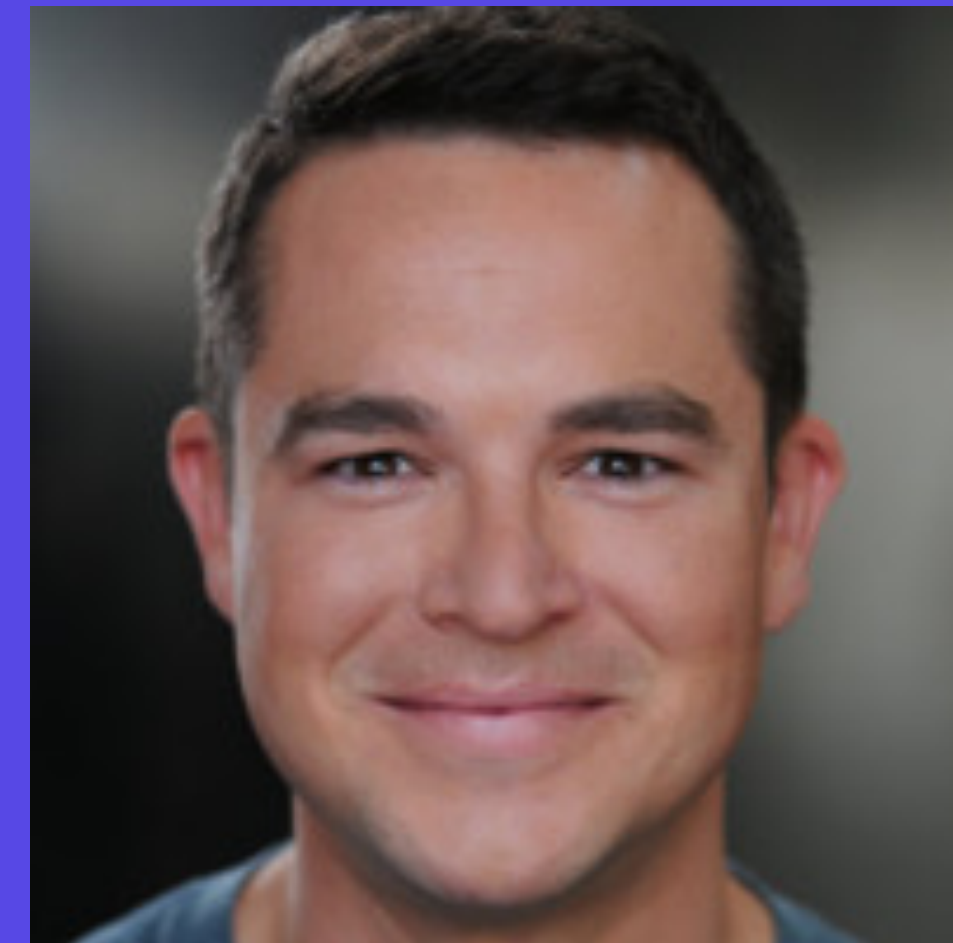


Californian Midterm Elections

Presented by



**Vice President of
Government Affairs
& Public Policy at
Affirm, Inc.**



**Director of
Government Affairs
& Public Policy at
Affirm, Inc.**

FEDERAL

Highlights...

Tens of thousands of provisional & late-arriving mail-in ballots remain to be counted in each district in California but a few things are certain...

- Five-term incumbent U.S. Sen. Dianne Feinstein defeated state Sen. Kevin de León (D)
- Democrats picked up 3 seats from Republicans in the House (CA-25, CA-48, CA-49) - Knight, Rohrabacher, Harkey (Issa)
- 3 Republican incumbent races are too close to call (CA-45, CA-39, CA-10) - Walters, Cisneros (Royce) & Denham

Notable races...

- Retiring U.S. Rep. Darrell Issa's (R) seat went to Mike Levin, a former Orange County Democratic Party official
- Democrats picked up the last Republican-held House seat anchored in L.A. County. First-time candidate Katie Hill, 31, ousted Republican Steve Knight, who was seeking a third term in the 25th District
- Fifteen-term U.S. Rep. Dana Rohrabacher (R) likely to lose to Democrat Harley Rouda, a real estate executive, in Orange County's coastal 48th District

Moving forward...

- Democrats Dianne Feinstein & Kamala Harris will continue to represent both CA Senate seats
- At minimum, Democrats will control 41 out of 53 California Congressional House seats

STATE

Highlights...

- Democrats swept all statewide constitutional offices and secured **super** majorities in both houses of the California Legislature controlling 56, if not 57, seats in the State Assembly and 28 seats in the State Senate.
- In the Legislature, Democrats will organize on December 3, 2018 with the largest majority in the history of the institution. Speaker Anthony Rendon and Senate President Pro Tem Toni Atkins will continue in their leadership roles.
- 11 statewide ballot propositions were certified for the election; 6 were approved and 5 were defeated.

Governor

- Lt. Governor Gavin Newsom easily won the governor's race by a 20-percent margin. He will move across the hall of the first floor of the State Capitol on January 7, 2019 when he is sworn in as California's 40th governor.
- He becomes the leader of the anti-Trump resistance with a national platform to press his agenda of combating climate change, passing healthcare for all, advancing equality, increasing economic development, addressing housing affordability, and improving California's education system.
- Governor-elect Gavin Newsom has begun the hiring process. First up, former senior advisor to Hillary Clinton, Ann O'Leary has been appointed chief of staff and Ana Matosantos as his cabinet secretary.

Lieutenant Governor

- Sacramento developer and former-Ambassador Eleni Kounalakis easily beat state Senator Ed Hernandez to become the first woman elected Lieutenant Governor in California.
- The Lt. Gov, in addition to being the President of the Senate, sits on the Board of Regents of the University of California, California State University Board of Trustees, Ocean Protection Council, California Emergency Council, and State Lands Commission as well as chairs the Commission for Economic Development.

Other statewide constitutional offices...

- Incumbents Xavier Becerra (Attorney General), Alex Padilla (Secretary of State), and Betty Yee (Controller) were reelected by a comfortable margin. Board of Equalization member and prior legislator Fiona Ma was elected to her first term as the State's Treasurer.
- In the two most watched statewide races, Democrat Ricardo Lara has a slight lead over Independent Steve Poizner in the race for Insurance Commissioner
- Independent Marshall Tuck is leading Democrat Tony Thurmond in the non-partisan race for Superintendent of Public Instruction.

**CALIFORNIA BALLOT
PROPOSITIONS**

Highlights...

- 66 citizen-initiated measures filed for the ballot in California
- 11 successful initiative efforts, which amounts to a success rate of between 16 and 17 percent
- 3 additional measures qualified for the ballot, but they were withdrawn following compromises with state legislators
- 6 APPROVED, 5 were DEFEATED, 1 REMOVED from the ballot by CA Supreme Court (Measure to split CA into 3 states)

Number of initiatives filed in California, 2014-2018 election cycles

The line graph illustrates the number of initiatives and referendums that had been filed on the 1st of each month, from January 1 of the year before the election (odd year) through March 1 of the year of the election (even year).

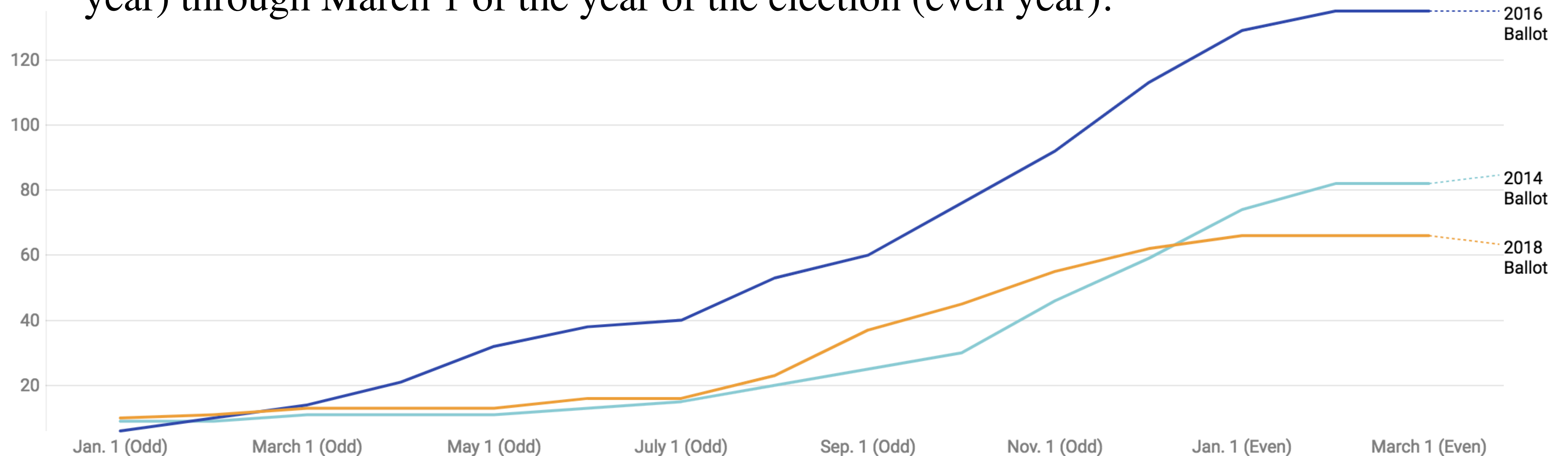


Chart: Ryan Byrne, Ballotpedia • Source: [Ballotpedia](#)

Ballot Measure	Support contributions	Opposition contributions	Outcome	Cost	Signatures	Cost Per Signature
California Proposition 8, Limits on Dialysis Clinics' Revenue and Required Refunds Initiative (2018)	\$18,867,532.13	\$111,462,540.26	No	\$1,648,357.38	365,880	\$4.51
California Proposition 3, Water Infrastructure and Watershed Conservation Bond Initiative (2018)	\$4,930,530.60	\$0.00	No	\$1,883,203.00	365,880	\$5.15
California Proposition 10, Local Rent Control Initiative (2018)	\$25,687,269.64	\$74,821,182.34	No	\$1,982,004.92	365,880	\$5.42
California Proposition 6, Voter Approval for Future Gas and Vehicle Taxes and 2017 Tax Repeal Initiative (2018)	\$4,862,812.15	\$46,326,809.51	No	\$2,094,520.02	585,407	\$3.58
California Proposition 12, Farm Animal Confinement Initiative (2018)	\$13,131,292.46	\$550,500.00	Yes	\$2,199,613.72	365,880	\$6.01
California Proposition 2, Use Millionaire's Tax Revenue for Homelessness Prevention Housing Bonds Measure (2018)	\$6,856,950.27	\$0.00	Yes	\$2,645,311.84	365,880	\$7.23
California Proposition 4, Children's Hospital Bonds Initiative (2018)	\$11,463,946.09	\$0.00	Yes	\$2,645,311.84	365,880	\$7.23
California Proposition 11, Ambulance Employees Paid On-Call Breaks, Training, and Mental Health Services Initiative (2018)	\$30,112,769.96	\$0.00	Yes	\$2,892,967.03	365,880	\$7.91
California Proposition 5, Property Tax Transfer Initiative (2018)	\$13,204,875.08	\$3,313,963.83	No	\$5,140,990.49	585,407	\$8.78
California Proposition 1, Housing Programs and Veterans' Loans Bond (2018)	\$6,856,950.27	\$0.00	Yes			
California Proposition 7, Permanent Daylight Saving Time Measure (2018)	\$0.00	\$0.00	Yes			
Subtotal	\$135,974,928.65	\$236,474,995.94				
Total	\$372,449,924.59					

**Saturated Airwaves, Great Content
(Messaging Matters) - NO on 6**





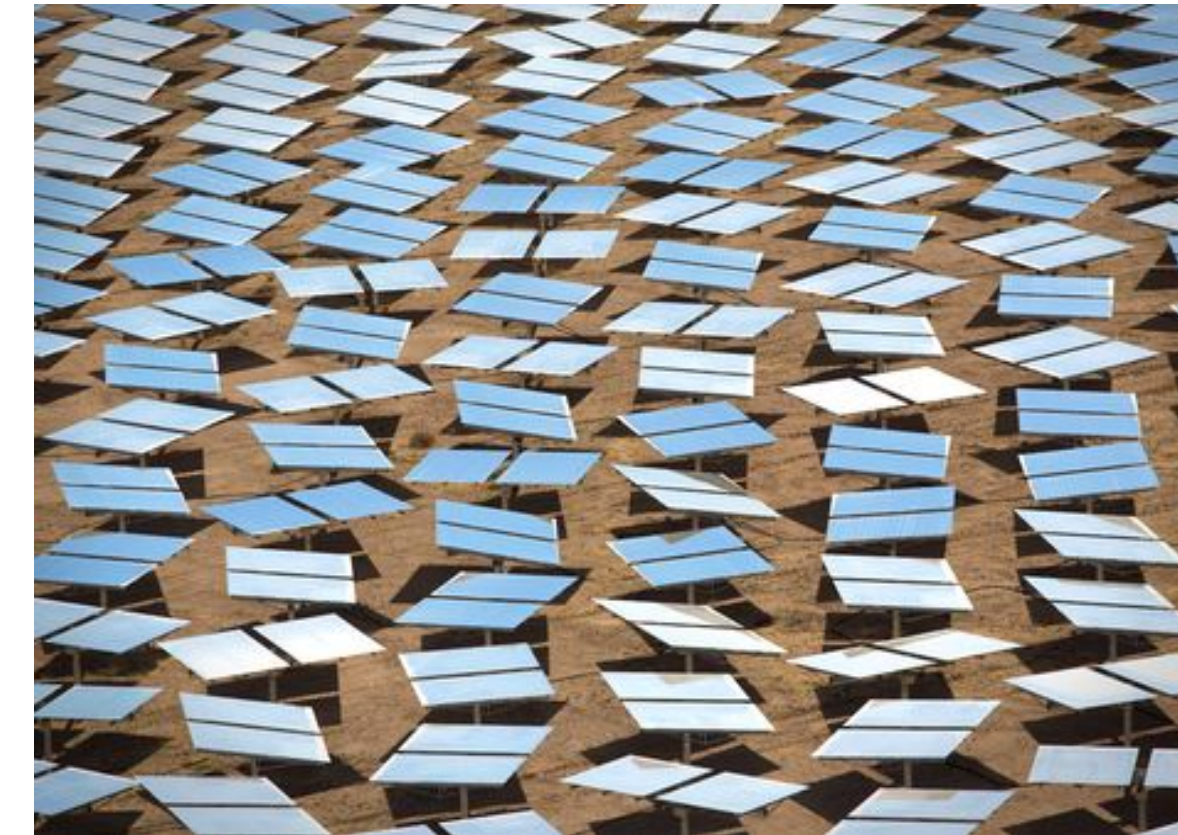
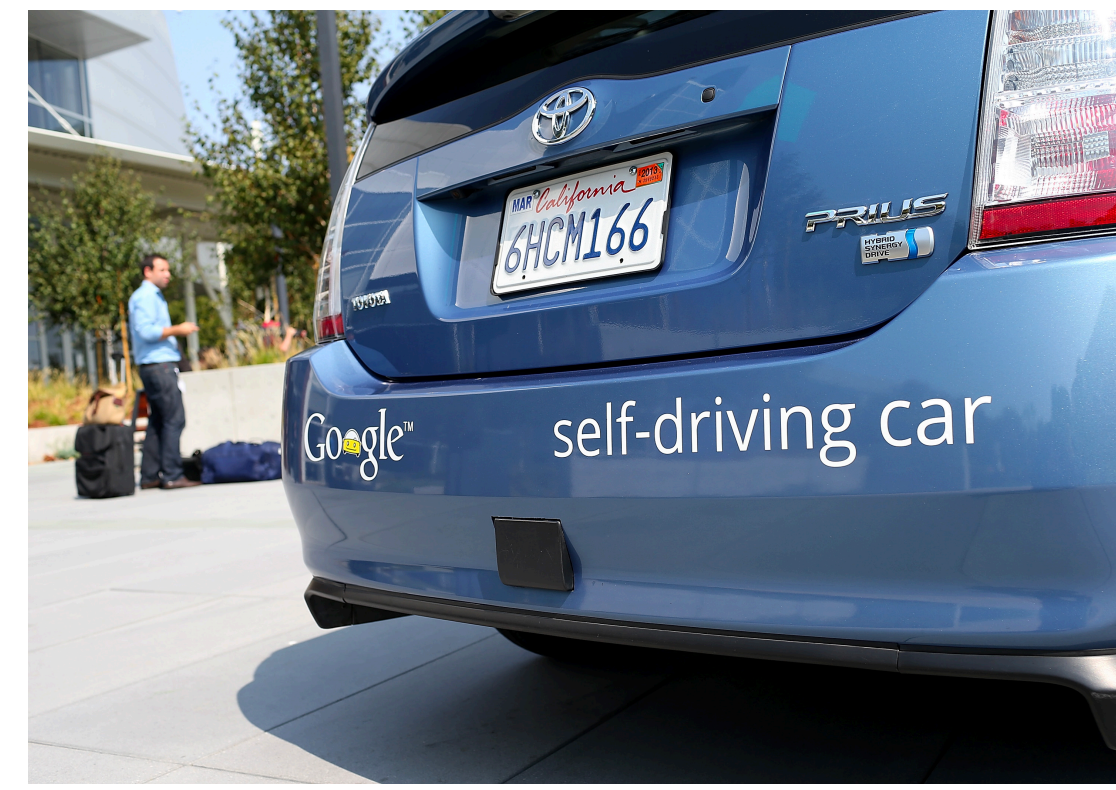
Notable Municipal Ballot Initiative results....

- San Francisco Prop C, Gross Receipts Tax on Big Businesses for Homelessness, passed with a 60% majority. However, thanks to a 2017 Supreme Court ruling (California Cannabis Coalition v. City of Upland), there is a serious lack of clarity as to whether an initiative placed on the ballot by citizens can pass with less than 2/3 support. Therefore, expect the proposition to be placed under legal challenge.



Conclusion

How goes California, so goes the nation?



THANK YOU