For the past 40 years, California schools and communities have faced decreasing resources as a result of Prop 13 which passed in 1978.

This has led to plummeting educational achievement, severe disinvestment especially in communities of color, increased incarceration rates, exacerbated environmental and health risks, and crumbling public infrastructure. In particular, dynasty corporations have experienced the most significant windfall, shifting the burden of tax revenues to residents and new entrepreneurs. Prop 13 has long been seen as the untouchable "third rail" of California politics, but a broad and determined coalition worked for over 10 years to challenge conventional wisdom and lay the groundwork for this historic battle. With a record turnout of 17.7 million voters (80.5% turnout), Prop 15 lost by a narrow margin of 48% to 52% on November 3, 2020, with 672,515 votes accounting for the difference. Despite this loss, an unprecedented labor-community coalition was forged and will continue to work together over the coming years to advance progressive tax reform.

Prop 15 performed well in the progressive, urban strongholds of the Bay Area and Los Angeles, gaining significant support in populous counties: Alameda (64.9%); Contra Costa (54.8%); San Francisco (70.9%); Santa Clara (55.6%); and Los Angeles (53.5%). However, this support was insufficient to counteract the traditionally conservative "fishhook" region of the state’s Central and Inland Valleys, the South Coast, and the rural Northern counties where Prop 15 was opposed by a majority of voters.

Notably, Prop 15 performed better at the ballot box than several other racial and economic justice ballot measures before the voters. More than $500 million was spent by corporations to defeat propositions that would have enacted stronger rent control (Prop 21), defended wage and benefit protections for gig workers (Prop 22), ended the cash bail system (Prop 25), and repealed the ban on affirmative action (Prop 16)—with $78 million spent against Prop 15 alone, including a 2-to-1 spending advantage by our opponents in the final 10 days of the campaign.
Prop 13 was passed with 62% of the vote in 1978. By November 2020, this margin of support fell by a full 10 percentage points to just 52% of voters who opposed the reform proposed by Prop 15. This, along with the higher level of support for Prop 15 compared to all other progressive ballot measures, provides an undeniable argument that the “Third Rail” of Prop 13 was fundamentally challenged and “broken.”

Given the small margin of loss, there were a number of challenges that could have been decisive in closing the 2% gap and carrying Prop 15 to victory. The social justice movement that worked for nearly 10 years to formulate the measure and build the SCF Coalition was stretched thin with COVID-19 response, economic dislocation, the racial justice uprisings and many significant national, state and local races and ballot measures all competing for attention, GOTV support, and money. The pandemic also handicapped our large-scale and sophisticated voter engagement plan, preventing the door-to-door work that can make the difference in close elections. Finally, the $58 million raised by the SCF Coalition was impressive, but major individual and institutional prospects failed to contribute sufficient funds to enable us to fully counter the opposition who bombarded Prop 15 with erroneous and deceitful TV, radio, mail and digital ads in the final weeks.

While the Schools & Communities First Coalition is disappointed in our loss, we are not defeated and look forward to building on the many strengths and assets of the campaign. Our effort pioneered one of the largest, most diverse and powerful statewide coalitions ever seen in California, with over 1,600 endorsers from unions, civil rights, housing, education, social justice, health and business organizations and local elected leaders. Building on nearly ten years of research and policy development, we crafted a strong policy to address a systemic tax inequity that would have generated $12 billion per year for public education and local government services by closing a corporate loophole—a structural change still needed to address California’s growing poverty and inequality, exacerbated by the pandemic. Powered by thousands of volunteer leaders, we collected more than 1.7 million signatures of California voters to qualify the measure, despite the statewide shelter in place orders which came down in the final two months of signature gathering, and secured the endorsement of eight major newspapers, including the New York Times, LA Times, SF Chronicle, La Opinion and Sacramento Bee. We built an email list of 700,000 individuals, trained over 1,300 grassroots leaders to serve as campaign speakers, and reached over 760,000 voters through 24,496 volunteers who worked over 40,000 volunteer shifts.

Taken together, these accomplishments demonstrate that Proposition 13 is no longer sacrosanct in California politics and remains ripe for change.

CAMPAIGN ACCOMPLISHMENTS

Exercising the Power of the SCF Coalition

The SCF Coalition built a massive outreach and public education campaign infrastructure that spanned the full geography of the state, reached core constituencies at scale, and mobilized the talent and commitment of both staff and volunteer leaders. Some of this apparatus had been constructed in the years leading up to the Prop 15 campaign through a series of stepping-stone legislative battles to highlight the economic and racial inequity of Prop 13’s commercial property tax provisions and expand grassroots and institutional support for this policy reform. The Prop 15 campaign was led by six Core Partners, with three Labor members (California Teachers Association, Service Employees International Union, California Federation of Teachers) and three Community member organizations (California Calls, PICO California, Alliance San Diego) who met weekly and as-needed to make critical decisions on overall campaign strategy. A 30-member Executive Committee consisting of labor, social justice, civil rights, education, and racial equity organizations met monthly and as-needed to flesh out and implement the campaign’s key strategies across California’s diverse geographies and constituencies.

The SCF Coalition employed a professional staff of more than a dozen, coordinated and supervised by Groundworks Campaigns and Campaign General Manager Larry Grisolano of AKPD media. In addition, consultant teams (AKPD Media, Saguaro Digital, The Strategy Group) were engaged to manage our paid advertising, digital outreach, and direct mail programs. This professional team was supplemented with seasoned and veteran staffing by the
Community Core Partner organizations (California Calls, PICO California, Alliance San Diego), along with a total of over $2.5 million in reported, in-kind donations of staff time from labor union and other nonprofit staff.

Multiple cross-sector committees met regularly to develop and implement planned strategies and respond to the changing demands of the campaign: Political (endorsements); Field (GOTV); Communications (messaging, earned media); Business Outreach; Policy & Research; and Speakers Bureau. These committees and their staff produced hundreds of trainings, workshops, briefings, and events throughout the 14-months of the campaign from September 2019 through Election Day in November 2020. A total of 24,496 volunteers and an additional 630 paid canvassers represented the “army” of grassroots leaders who were our messengers, organizers, and validators across the state. Over 1,300 individuals were trained through a Speakers Bureau and presented formally to more than 1,000 groups.

The SCF Coalition secured 1,600 official endorsers including prominent mainline organizations: League of Women Voters, California PTA, Community College Board of California, ACLU, Housing CA, CalNonprofits, CA Democratic Party, MALDEF, CA Association of Retired Americans, Sierra Club, United Ways of CA, public foundations and dozens of labor unions and faith-based organizations. Included in this list were over 751 local elected officials including Big City Mayors Garcetti, Schaf, Garcia, Breed and Tubbs; the Governor and Legislative Leadership; 9 Boards of Supervisors; many California Congressional Representatives; and all Democratic presidential candidates.

The breadth, depth and “people power” of the SCF Coalition was leveraged across the urban and rural regions of the state to round up 111 official local government resolutions from predominantly city councils, boards of supervisors, and boards of education. Given the critical need to reach the African-American, Latinx, and AAPI voters who were our natural constituents, many special outreach efforts were sponsored including a 100+ Black Leaders for February Black History Month; an AAPIs for SCF virtual event for May’s AAPI History Month; a July Virtual Press conference with Latinx leaders; and interfaith organizing by clergy leaders. In the closing weeks of the campaign, The Advancement Project-LA coordinated a full-page Los Angeles Times advertisement and video featuring hundreds of prominent, multi-ethnic leaders supporting Prop 15.

Breaking California’s “Third Rail” | Yes on 15

Mayors Eric Garcetti (LA), Michael Tubbs (Stockton), Libby Schaaf (Oakland), London Breed (San Francisco) and Robert Garcia (Long Beach) endorsed and promoted Prop 15

Business outreach was a strategic priority for the campaign. A dedicated staff member worked with a campaign subcommittee to conduct outreach to secure business endorsements. A total of 140 small businesses signed on as endorsers, along with several regional associations, including the Fresno Metro Black Chamber of Commerce, the Kern County Black Chamber of Commerce, the Sierra Business Council, the Silicon Valley Minority Business Consortium, and the Community Alliance for Family Farmers. Salesforce, Postmates, and Twilio endorsed and made financial contributions to the campaign, and Founding Chairman and CEO Emeritus of Qualcomm, Irwin Jacobs, Blue Apron founding investor Joe Sanberg, and Tara Lynn Gray, the CEO for the Fresno Black Chamber, authored Op Eds in support of Prop 15 and were active spokespeople in the campaign. In one of the most conservative counties in the state, San Diego business leaders provided significant financial support to Prop 15, including real estate investor Lawrence Hess, Dr. Bronner’s Soaps, and Mel Katz, co-founder of Manpower Staffing Services. While numerous presentations were made to chambers of commerce and other business associations, we were unable to surmount fierce industry opposition. The agricultural sector also proved a contentious opponent with false assertions that Prop 15 would place heavy economic burdens on small farmers and the entire industry.

Research and Policy Analysis undergirded the Prop 15 campaign during the multi-year formation of the coalition up until the final days before the election. A Policy Committee made up of leading tax policy experts, statewide policy organizations, the former Director of the California Department of Finance, and constitutional lawyers worked to develop the initiative’s provisions and language, improving upon the 2018 measure that had previously qualified. The solar industry took issue with a highly technical provision around taxation of large-scale solar facilities, prompting a last-minute legislative bill to remedy the language in the summer of 2020.

Policy Briefs that detailed Prop 15’s impact on specific issues (e.g., affordable housing, health, education, small business, fire protection) and Special Reports on revenue allocation, tax burden, and economic impacts were produced and distributed to build support with targeted constituencies. The research team worked furiously during 2020 to provide real-world examples of commercial property tax disparities for use by local organizers; to fact-check and provide rapid response around industry propaganda; and to research the major opposition spenders to help inform our media strategy.

The Prop 15 campaign was validated by many external researchers, including 19 economists who authored a letter supporting Prop 15 and refuting the opposition’s arguments about the impact on the economy; independent, academic research sponsored by the Silicon Valley Community Foundation on potential small business impacts and racial disparity in commercial property holdings; as well as earlier revenue projections by the USC Program for Environmental and Regional Equity that estimated up to $12 billion in potential revenue gain for schools and local services.
Waging An Aggressive Air Campaign

Our messaging through television, digital, and direct mail channels was integrated and centered on core themes of fairness and benefits for Californians. We opened our campaign with an introduction of the measure, emphasizing tax fairness, which consistently drove the most intensity on our opinion research. We aired 11 TV spots in English (eight 30-second spots and three 15-second ones), and three ads in Spanish language, continually emphasizing the need for Prop 15 revenues to support healthcare workers, teachers, and firefighters. The SCF Campaign produced a total of 23 TV spots and used multiple rounds of ad testing to identify the most powerful messages with our target voters. While the opposition ultimately spent $20 million more than us, we stayed competitive dollar-for-dollar until the second to last week of the campaign when we were outspent by 20%, and then by a 2-to-1 ratio for the final week.

Nearly 2.5 million voters received direct mail from the Prop 15 campaign which focused on low TV watchers, “persuasion” voters (undecided but leaning Yes) and homeowners, with discrete approaches for English and bilingual Spanish households. Mail was delivered from October 1 through October 20th, with an early start necessitated by California’s new universal vote-by-mail system that distributed mail-in ballots in early October and strong voter interest in this election. We promoted the same themes around unfair tax benefits for corporations compared to regular people, and how public investments would help schools, health clinics, and firefighters. We also underscored how homeowners were protected and in fact would receive a tax cut due to lower debt override tax rates that pay for debt service on local, voter-approved bonds.

We ran an aggressive and multi-faceted earned media communications program to frame the narrative and garner free coverage to advance our message. The strategy engaged SCF campaign supporters as widely as possible to author op eds, columns, and letters to the editor. This fast-paced and unrelenting work resulted in:

- 8 major newspaper endorsements for Yes on Prop 15 (including LA Times, New York Times, SF Chronicle, Sacramento Bee, La Opinion, Sing Tao)
- 183 print stories (e.g., OC Register, Politifact, CalMatters, EdSource, AP, Fresno Bee, Bloomberg), 125 TV hits (e.g., KQED, KCET, CBS, KCBS); and 95+ radio coverages
- 102 positive op-eds; 23 columns; 88 LTE’s across the state (e.g., CalMatters, Mercury News, Asian Journal, Bakersfield Californian, Santa Maria Sun; Korea Times; LA times; San Diego Union Tribune, San Jose Spotlight, Napa Valley Register, SF Chronicle, Sacramento Business Journal, Santa Cruz Sentinel, Capitol Weekly, etc.)
- 4 public debates on both TV and the web (PPIC, KQED, KALW, and KGO)

The SCF Coalition constructed a massive digital program and audience, including activists and key California influencers that by Election Day were amplifying our content to reach voters. Starting with an early investment to build our own Facebook audience, and another early outlay for email acquisition, we sought to position the Prop 15 campaign as “the” progressive battle in an extremely noisy and competitive on-line environment. This included significant investment in multi-lingual messaging and ads throughout the entirety of the campaign.

KEY HIGHLIGHTS INCLUDED:

FACEBOOK:
Up to a half million unique users per day by October 2020

TWITTER:
1.5 million graphic impressions

EMAIL:
Built a list of almost 700,000 supporters, with an aggregate engagement of over 500,000 clicks.

SEARCH:
A heavy $1.5 million investment in our ability to “win” the search battle for information on Prop 15, especially with such a lengthy ballot facing California voters, resulted in top placement on more than 60% of the nearly 2 million total searches on Prop 15.
The Yes on Prop 15 Campaign raised over $58 million from a diverse set of supporters to counter the $74 million in corporate opposition spending. With an initial campaign budget goal of $69.5 million, we fell short by 16%, with the biggest gap in the Major Individual Donor category (more on this below). Our labor partners—California Teachers Association, Service Employees International Union, and California Federation of Teachers—all stepped up to finance an even greater percentage of the total funding, coming in at 68% of the total amount raised, as compared to the initial projection of 50%. The tech industry funds listed below are from Chan Zuckerberg Initiative, Salesforce, and Twilio and the public foundations (The San Francisco Foundation, Open Society Policy Center, Liberty Hill, California Community Foundation, Silicon Valley Community Foundation, East Bay Community Foundation), the SCF Coalition, and small/medium donors contributed at their expected share of the overall budget.

### Raising The Resources

<table>
<thead>
<tr>
<th></th>
<th>Actual Received</th>
<th>Original Budget</th>
<th>Percent of Original Budget</th>
<th>Percent of Actual Total</th>
<th>Variance from Budget</th>
</tr>
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<tbody>
<tr>
<td>Labor</td>
<td>$39,801,150</td>
<td>$35,000,000</td>
<td>50%</td>
<td>68%</td>
<td>+18%</td>
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<tr>
<td>Tech Industry</td>
<td>$11,425,000</td>
<td>$15,000,000</td>
<td>22%</td>
<td>19%</td>
<td>-3%</td>
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<tr>
<td>Major Donors</td>
<td>$2,780,000</td>
<td>$15,000,000</td>
<td>22%</td>
<td>5%</td>
<td>-16%</td>
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<tr>
<td>Public Foundations</td>
<td>$2,690,000</td>
<td>$3,000,000</td>
<td>4%</td>
<td>5%</td>
<td>0%</td>
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<tr>
<td>Coalition</td>
<td>$1,092,500</td>
<td>$1,000,000</td>
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<td>2%</td>
<td>0%</td>
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<tr>
<td>Small/Medium Donors</td>
<td>$685,308</td>
<td>$500,000</td>
<td>1%</td>
<td>1%</td>
<td>0%</td>
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<td><strong>TOTAL</strong></td>
<td><strong>$58,473,958</strong></td>
<td><strong>$69,500,000</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
<td><strong>-16%</strong></td>
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In addition to the Prop 15 c/4 fundraising, the community partners raised $5 million for a c/3 public education campaign designed to build support for key themes of active government, corporate accountability, community investment, and racial solidarity. The Million Voter Project (MVP) produced 5 message-tested ads in English and Spanish that reached 1.6M people on digital platforms an average of 36 times and 1M on social channels an average of 14.5 times in a targeted digital ad program using the campaign’s targeted voter base model. Several other coalition members supported in-kind media, outreach and support, including CTA’s Black media program, AAPI for Civic Engagement’s in-language AAPI digital ads, Advancement Project’s Civil Rights Leaders Ad and Video, and the Firefighters in-kind support for TV Ad production.

Key components of the fundraising strategy included both paid professional and in-kind fundraisers who developed a robust program of donor education and cultivation, in close collaboration with a sophisticated group of senior program officers at California’s public foundations. Several prominent elected officials (Mayors Garcetti, Schaaf, Tubbs, Breed; U.S. Congresswoman Karen Bass and LA Councilman Marqueece Harris-Dawson) all assisted with individual solicitations and appearances at virtual fundraising events, along with a cadre of education advocates who conducted ambitious outreach resulting in significant donations, including $1 million from The Emerson Collective.

U.S. Congresswoman Karen Bass was an early leader in the Prop 15 campaign.
Mounting a Large-Scale Field Program to Reach Target Voters

The Prop 15 Field Program matched research-driven voter modeling with the deep knowledge held by the SCF Coalition of the communities and workplaces they represented. The Field Program was anchored by the Million Voter Project Action Fund (MVPAF), a network of 7 statewide social justice organizations, that has been working since 2015 to build technology and data systems, and train staff, to manage an ever-larger scale of direct voter contact, education, and mobilization. The MVPAF accounted for the lion’s share of volunteers and voter contacts, but significant numbers were also contributed by the SCF Campaign volunteers, labor union partners, SCF Coalition partners and the California Democratic Party. The goals of this combined effort were to:

■ Increase TURNOUT among “unlikely” voters who may not turn out to vote without intervention
■ Reduce “DROP OFF” with voters who are likely to vote and to support Prop 15, but also likely to skip down-ballot initiatives
■ Secure and hold support with “PERSUADABLES” who are likely to support Prop 15 but can be swayed by our opposition
■ Ensure NEWLY REGISTERED voters are informed and ready to vote
■ Prioritize voters who NEVER VOTE BY MAIL to ensure they knew about the new California voting system, including Vote Centers (as compared to precinct polling stations).

With every challenge presented in 2020 by the worldwide pandemic, the Prop 15 partners worked shoulder-to-shoulder to deliver a massive outreach effort that had originally been planned with a large-scale door-to-door program. Pivoting to the new reality, the result was an inter-generational success where young, tech-savvy organizers helped lead the state by constructing an entirely remote, distributed, and digital field program. This meant technology innovation, infrastructure expansion, and technical training of staff and volunteers to do on-line phoning from their homes, texting, and relational organizing (platforms that enable people to ask for support from their personal networks) tailored to the unique geography and constituencies we needed to reach:

■ The Prop 15 central campaign held 85 phone banks and 33 Adopt-A-Day phone banks hosted by supporting groups
■ The MVPAF, through its 7 statewide partners with 86 local affiliates, mobilized to do phone, text, and relational organizing. A parallel program paid stipends to canvassers who did daily phoning and texting to voters, including a robust GOTV re-contact program in the last week before the election.

■ Union partners at SEIU, CTA, AFSCME, and CFT drove member-to-member outreach as well as general voter engagement throughout the state
■ We conducted field outreach in THIRTEEN languages: English, Spanish, Arabic, Armenian, Cantonese, Farsi, Hmong, Khmer, Korean, Mandarin, Punjabi, Russian, and Vietnamese
■ MVPAF created a Peer Texting Platform that was used by the entire field program and yielded over 52,000 supporters at a fraction of the cost of other Text platforms.

Young organizers led the way in integrating the latest technology to reach voters on a massive scale
The combined field program waged by both the Prop 15 campaign and the Million Voter Project Action Fund contacted 760,716 voters, identifying 592,862 (78%) as Yes on 15 supporters. A second phone/text/relational outreach contacted 122,488 (21%) of our identified supporters in the last three weeks leading up to Election Day. This massive scale of outreach was made possible by 24,496 volunteers across the state who performed more than 40,000 volunteer shifts, with many giving generously of their time to help Prop 15. In addition, the MVPAF trained, supported, and deployed 630 paid canvassers who also worked on a completely remote basis. Over 63% of those contacted were defined as “low propensity” voters, and 60% were people of color (8.4% African American; 7.7% AAPI; and 43.9% Latinx).

The top priority for our ground game was to increase participation by “New” (never voted before) and “Turnout” (low-propensity) voters. The Secretary of State’s voter turnout data strongly demonstrate that we succeeded in reaching both of these goals, with “Turnout” voters participating at a rate 12.1% higher than their counterparts, while “New Voter” contacts voted at 10.9% rate over their peer voters. For the “Never Vote by Mail (NVM)” and “Dropoff” voters who are already high propensity voters, our goal was to assure they knew how to vote by mail and to vote “down ballot”. “Persuasion” and “Defector” voters were also high propensity, and our goal was to persuade and hold their support for Prop 15. In every category of voters targeted by our field outreach, voter participation was higher than peer voters.
Across age, income, renter/homeowner, and Permanent Absentee Voter status, the voters we targeted for outreach and mobilization voted at double-digit rates higher (up to 22.3%) than their counterparts.

Across all racial groups, our supportive voters turned out at rates significantly higher than their peer voters who were NOT in our contact program, ranging from 3.6% (Vietnamese) to 22.4% (African American) for the TURNOUT (low propensity) group; to 9.1% (Asian) to 13.6% (Vietnamese) for NEWLY registered voters. Immigrant voter turnout was also significant, ranging from 7.2% to 12.5% higher than their uncontacted peers.

While we fell short in achieving all the metrics we had hoped for in the pre-pandemic environment, all in all, our field program managed a stunning feat, adapting to the reality of the COVID pandemic, and conducting unprecedented outreach with demonstrated results in reaching low-propensity voter groups such as tenants, young people, immigrant voters, low-income voters, and of course, voters of color—with African American voters showing the greatest responsiveness to our outreach program.
**POLLING AND OPINION RESEARCH**

David Binder Research performed polling and opinion research for the Campaign beginning in 2017 and continuing through Election Day 2020, tracking voter attitudes and messaging on key issues of tax equity, schools and services funding, and small business impacts. Leading into the final two weeks, internal polling consistently demonstrated Prop 15 was ahead by a very narrow lead of 51-53%. External polls also showed that we were in a very tight race (e.g., the Berkeley IGS poll of October 26, 2020, showed 49% “yes”, 42% no, and 9 % undecided).

**What happened?**

The “Trump bump” was significant and not anticipated in our modeling. Compared to actual turnout, our final polling sample underrepresented Republicans, white voters, and homeowners, resulting in losses of 1.4% (Republican); 3.0% (White); and Homeowner (4.7%) compared to our internal polling in the final weeks of the campaign.

**Key regions and urban strongholds underperformed** compared to our projections, especially LA County (55.6% in polling, but 53% actual voter support), and outlying “ring” counties (San Bernardino, Riverside, Orange) with 44.8% expressing support pre-election compared to only 40.8% in the final tally.

**Post-Election polling** revealed deeper insights on who voted for and against Prop 15 and why. A post-election poll conducted by David Binder Research surveying 1,000 voters both by phone and online made the following findings:

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**Post-Election Survey Data: 15% of voters chose Biden and voted No on 15.**

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<tr>
<td>Biden / Yes on 15</td>
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<td>Trump / Yes on 15</td>
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<td>Other/Unsure on POTUS</td>
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Dems who are homeowners, moderates or seniors are more likely to be Biden and No on 15 voters.

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“ANY OTHER TIME, I MIGHT HAVE VOTED FOR IT, but due to COVID-19 and, what I believe is going to be a major downturn in commercial real estate stability, I thought it was a bill that should be presented after the effects of the current situation.”

WHITE “LIBERAL” FEMALE, Age 74, Homeowner in Los Angeles
For Democrats (Party ID), homeowner/renter stands out as a significant predictor, and then ideology.

Prop 15 needed a 2% increase in the Yes vote.

One-third of Democrats who are homeowners opposed.

YES voters across groups are more likely to mention school funding; whites, moderates, and voters 45+ are more likely than others to mention tax fairness

NO voters are concerned about Prop 13, say the state doesn’t need the funds, and say the funds won’t go to schools

<table>
<thead>
<tr>
<th>Category</th>
<th>Respondent quotes</th>
<th>More common among...</th>
</tr>
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<tbody>
<tr>
<td>PROP 13 (34%)</td>
<td>• I have significant concerns over how prop 15 would have affected tenants in</td>
<td>• Republicans and NPP</td>
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<tr>
<td></td>
<td>commercial properties.</td>
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<td></td>
<td>• Thought I understood it would take away prop 13 for long term property owners</td>
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<td>• Don’t want increased taxes every year, I don’t trust the government to keep</td>
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<td></td>
<td>that fair and it will penalize property owners.</td>
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<tr>
<td>DON’T NEED FUNDS (31%)</td>
<td>• Don’t want to spend any more money reallocate the money not spend more</td>
<td>• Conservatives, moderates, 45+</td>
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<td></td>
<td>• More wasteful spending that do not result in better outcomes.</td>
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<tr>
<td>WON’T GO TO SCHOOLS (20%)</td>
<td>• You say it goes to school, shame on you. It’s another tax. I don’t care where</td>
<td>• Similar across groups</td>
</tr>
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<td></td>
<td>you say it will go. It never goes there business’s are already leaving in</td>
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<td></td>
<td>drowns because of taxes.</td>
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<td></td>
<td>• Because the funds don’t show up, in terms of money, I always vote for this but</td>
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<td></td>
<td>I don’t see money.</td>
<td></td>
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<tr>
<td>SMALL BUSINESSES / HIGH TAXES</td>
<td>• Small businesses already has hard time to CA to operate</td>
<td>• Democrats, liberals, Latinos, under 45</td>
</tr>
<tr>
<td>(11%)</td>
<td>• Increase cost of living and higher rent for smaller businesses when they’re</td>
<td></td>
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<tr>
<td></td>
<td>already struggling to get by</td>
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</tr>
<tr>
<td></td>
<td>• Because raising the cost of living</td>
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KEY CHALLENGES AND LESSONS LEARNED

Our campaign realized some major accomplishments, yet also faced a huge, uphill climb with many factors complicating and challenging our path to victory.

1. **We were outspent by our opposition, particularly in the final weeks of the campaign**

   Prop 13 Reform has been described as the “third rail” of California politics for 42 years. Conventional wisdom held we would be crushed by our deep-pocketed corporate opposition. The California Business Roundtable, our main opponent, raised $124 million and spent at least $74 million (compared to $58M raised by Yes on 15), outspending us 2-to-1 in the final ten days in TV ads to persuade undecided voters, who ultimately broke against us. It is very plausible that with the resources to remain competitive in the “air game” in the final push, we could have held at least 2% of the undecideds—enough to close the gap and win.

2. **An impressive (but insufficient) scale of funds was raised from a diverse set of donors, but fundraising faced intense competition and concern about viability**

   Compared to most ballot campaigns where one or two major individual or institutional donors finance the entire budget, Prop 15 had a relatively diverse fundraising base with labor in the lead, complemented by significant funds from the Chan Zuckerberg Initiative, several major donors, the public foundations, and the coalition itself. Fundraising competition was intense, not only with the most important Presidential election of a lifetime, but also with the late-breaking issue campaigns of Prop 16, Reimagine LA, and other important race-equity ballot measures. COVID and the anti-racist uprisings of the early summer created huge and ongoing demands for donors and institutional funders to contribute to emergency human needs and racial justice movement-building. The Governor’s late endorsement and failure to help fundraise was a barrier to motivating the large Tech and other major donors. Charter school advocates spearheaded a fundraising push in the final three months of the campaign but found many prospective donors unresponsive. Another likely barrier was that many liberal donors did not want their own pocketbooks impacted or did not want to break ranks with the corporate elite opposed to Prop 15.

3. **The Opposition mounted a strategy of deception and confusion**

   Despite being led and financed by the largest real estate, oil, retail, agriculture, and entertainment companies in the world, as well as powerful corporate lobbies representing Fortune 500 companies, the opposition concentrated on confusing voters by promoting fallacies, and positioning their coalition as small business, civil rights organizations, family farmers, and homeowners. They deliberately deceived voters, arguing that Prop 15 would raise homeowner taxes (residential property was exempted and homeowners would have received a tax benefit), and that Prop 15 would increase the cost of living for all Californians. They argued Prop 15 would decimate family farms (despite agricultural exemptions), and that small business would be wiped out by increased rents in the face of the recession (an independent study by Beacon Economics concluded that small business would not be affected). To demonstrate the degree of deception, a California Judge struck 100 words from the No on 15 official ballot arguments in July, declaring them false and misleading. Finally, they enlisted several prominent people of color, including Alice Huffman of the California NAACP and former Speaker Willie Brown, by paying over $1M in consultancies to oppose Prop 15 in TV ads and Op Eds. While our key messages resonated with our supportive voters, we were not able to overcome the opposition’s massive TV and mail spending to deceive voters. It is also important to note that the opposition started mass voter outreach early (Fall of 2019) through a large-scale direct mail campaign to homeowners, when the coalition was circulating petitions for qualification.

4. **Our Campaign failed to adequately address the fears of small businesses and homeowners, exacerbated by the pandemic and resulting recession**

   While we always knew that the multinational corporations and large-scale landowners would seek to “hide” behind small businesses, the COVID-19 shutdown heightened concerns that small family- and immigrant-owned businesses—many already on the brink of bankruptcy—would face increased rents. The “triple net lease” provisions that would allow landowners to pass along rent increases—highlighted in one of the opposition’s most compelling TV ads featuring a Black-owned barber shop posting a “Going Out of Business” sign on the front door—was a constant refrain across the state. Similarly, Prop 15’s exemption of properties with a total value of $3 million or less was another common critique with many high-growth, high-real estate market communities concerned that this threshold was too low to protect many small businesses from increased taxes. Prop 15’s elimination of the business personal property tax on the first $500,000 of value—which would have benefitted close to 90% of small businesses—was complicated to explain and unconvincing against the other arguments. Finally, while Prop 15’s constitutional language clearly exempted homeowners and all residential properties from any changes in their assessments or taxes, and our messaging and advertising repeatedly underscored their protections, we failed to inoculate a sufficient margin of homeowners from the opposition’s blatant lies. Many succumbed to the fear that they would face rising property taxes from Prop 15, or that Prop 15 was the first step on a “slippery slope” to ultimately repeal Prop 15 in its entirety.
COVID handicapped our secret weapon: Our ground game

Beginning in March 2020, our labor and community coalition partners were coping with the pandemic: teachers had to pivot to remote-learning; custodians, public health and grocery workers were truly on the frontlines keeping vital services running and saving lives. The labor unions were unable to organize their members at the worksite, and community groups were providing direct services while advocating for critical supports for low-income communities of color (e.g., chromebooks and internet service; PPE for grocery, health and farm workers; and eviction moratoriums and emergency housing). This was the backdrop against which our coalition persevered in mounting one of the largest electoral fights in decades.

Our messaging needed more refinement and nimbleness to address the moment, regional differences, and diverse audiences

Even while the Campaign worked diligently to connect Prop 15’s benefits to the issues of the day—including the desperate financial needs of local public health departments to address COVID, the plight of schools to do distance-learning and return safely to the classroom, and the unprecedented and intense wildfires of last fall—there was often too much lag to make a difference, and a constant challenge to balance the “moment” message against the “main” message around tax equity. Many in the coalition perceived that the theme of racial justice was not sufficiently prominent in our messaging, falling short in motivating Black, Latinx, immigrant and young voters who were our natural base. Others reflected that we needed to target more mainline constituencies, such as Democratic and older homeowners, with centrist validators and stronger messaging lifting up the tax benefits and protections for homeowners. And while the need for funding for schools has been lifted in voter education campaigns for many years, the need for “local government” funding has not, pointing to a need for intensive voter education about local government funding and benefits. In a state as vast and diverse as California, significant differences in regional populations, local economies, and cultural attitudes called for a tailored rather than “one size fits all” messaging strategy.

Our movement was stretched in too many directions

The combination of the COVID-19 pandemic, the economic recession, the massive wave of racial justice protests in response to George Floyd’s murder, and the California wildfires all posed major demands and challenges to the social justice coalition supporting Prop 15. Community organizing and service groups, advocacy organizations, institutional, and individual funders all faced significant and urgent demands to meet dire human needs, and our supportive elected officials worked 24-7 to manage emergency responses. In addition, we faced intense competition for resources, time, and attention with the high stakes Presidential and Congressional elections, along with 12 state Ballot Measures. Some of this was unavoidable (e.g., Props 22 and 25 which were placed on the ballot by corporate forces and required a fight-back), but other important measures were put forth by the legislature and other proponents, diverting energies that might have been invested in Prop 15. Focusing our resources and aligning our battles as a movement may have helped close the 2% shortfall in votes for Prop 15.

We can strengthen our policy provisions to address vulnerabilities, while assuring tax equity, significant new revenues, and small business protections

The key policy concepts in the Schools & Communities First ballot measure were developed through a thoughtful and multi-year process steered by a sophisticated and knowledgeable Policy Committee who debated and weighed the many trade-offs in the policy design. Key vulnerabilities that came to the fore during the campaign included the critique of the “flat” $3 million threshold for properties exempt from reassessment—an amount that did not account for significant regional and local variations in property values; the concern that “triple net” leases held by many small businesses would enable property owners to pass along tax increases; confusion about whether agricultural leases held by many small businesses would enable property owners to pass along tax increases; confusion about whether agricultural properties and large-scale solar developments would be reassessed or fully exempted; fears that the phase-in period for new tax payments was too short for smaller property owners; and the difficulty of explaining the business personal property tax exemption as an offset to any potential rent increase. Finally, while the coalition decided early on against a “set aside” strategy to earmark a percent of revenues for a specific purpose (e.g., affordable housing, early childhood, or health care programs), this approach could be potentially applied to strengthen voter support. All of these policy concepts should be re-examined for the future and new options explored.
Since November 2020, the Schools & Communities First coalition has continued to share reflections, conduct voter analysis, and plan for next steps. The Coalition’s Executive Committee has expressed strong enthusiasm in keeping the coalition together to advance progressive tax reform, including the exploration of a future effort to reform Proposition 13. All members are keenly aware of the ongoing need to fully fund California’s public education system and local governments to address not only the consequences of the pandemic, but the long-term, structural inequities and poverty that persist in California. Here are the key takeaways that we will build upon:

1. We have set the table for a new conversation about progressive revenue and structural change

   Even though Prop 15 lost, we made a major crack in the anti-tax, anti-government worldview that has been an obstacle for four decades to advancing structural reform. The fact that we came so close in a pandemic, a recession, being outspent in the final two weeks, and with our ground game severely handicapped is remarkable. Californians are ready for bold change, fully funding our schools and communities, and challenging corporate power and inequities. We believe that the “third rail” is dead, and 48% is our new starting point. The massive recovery effort to respond to the pain and suffering in our communities means that we need structural solutions, not incremental or piece-meal “band-aids”.

2. We have built a new model to challenge corporate power

   Among all the initiatives with significant corporate opposition, Prop 15 lost by the narrowest margin. Typically, to win a “Yes” vote (which is harder than “No”), the proponents have to significantly outspend the opposition. Even though we were significantly outspent, we still came within 2 points of winning. What we built points to the ingredients of a winning campaign, and a model to build upon:
   - A powerful, broad coalition that unites diverse sectors of California - labor, social, and racial justice organizations, education and public health advocates, philanthropy, business, and tech.

3. We have built a new labor/community coalition that will endure in the future

   Austerity budgeting in California has fueled fragmentation of our movement, resulting in siloed approaches to defending and expanding funding sources for specific public services. The Prop 15 campaign opened a new, positive chapter in building a broad multi-sector alliance, and united diverse sectors that, at times, have been on opposite sides of prior battles. The architects and drivers of the Prop 15 campaign were people-of-color led community-based organizations who provided the backbone for the Get-Out-The-Vote Field Operation, and leveraged relationships with donors and foundations to expand the funding base. The labor partners contributed mightily (68%) to the campaign budget, provided seasoned expertise in waging statewide ballot measure campaigns, and delivered institutional endorsements and a powerful and engaged membership base. The Executive Committee was actively engaged in building momentum on the ground – through earned media, amplifying the message, and activating their networks and membership. Our philanthropic partners helped raise funds, and the policy advocates crafted the measure and helped build the case. This alignment and commitment was built over 10 years, through systematic coalition building, research, fighting together on stepping stone battles, and effective democratic process to build consensus about the policy and strategy. By uniting a broad coalition over time and maximizing the unique contributions of each sector, we have built a more powerful movement, with growing trust and relationships that will endure in the future.
We must continue to build the power of the New Rising Majority to win bold structural reforms

While turnout was historically high in November 2020, there is still much work to be done to expand the electorate to truly reflect who lives in California. Although turnout increased among people of color and young voters, turnout increased at even higher levels among more affluent, white, and conservative voters. And, our coalition has to work twice as hard to turnout new and infrequent voters, and cut through the cynicism and distrust of government. For decades the right has used a “fishhook” strategy to win statewide ballot measures, by commanding large margins in the Central Valley, Inland Empire through San Diego and Orange County, and depressing turnout and undercutting support in the Coastal Counties. The opposition’s paid media spent heavily on TV and Radio in the fishhook counties, coupled with significant mail, paid social media ads, and TV featuring their fallacious arguments about small business, homeowners, and negative impacts on African-Americans in the coastal areas. Increased investment and infrastructure in the inland regions is critical to educate and engage low income people and people of color who make up an increasing share of the electorate due to displacement, while continuing to expand and deepen voter outreach and power-building in the Bay Area and Los Angeles to grow our support and turnout, especially in localities that that lack civic institutions to reach voters. We must also continue to expand our communications capacity and sharpen our narrative to effectively reach and inspire our base constituencies to withstand the onslaught of mis-information propagated by an increasingly powerful corporate opposition.

The Path Forward

Winning ballot measures in California requires a monumental commitment of resources, strategic thinking, and good timing. While many argue that a focus on legislative policies or candidate races is a better investment for progressive forces, Proposition 13 can only be reformed through a vote by the people of California since it requires a constitutional amendment. In fact, many of the reactionary policies preventing structural social, economic, and racial equity reforms were codified in the constitution through ballot measures passed over the last four decades (e.g., Prop 13, Prop 209, Three Strikes, requiring 2/3’s votes on structural tax reform issues). These types of reactionary structural reforms cannot be undone through legislative bodies. And this past election established a dangerous new precedent – corporations using ballot measures to overturn policies established by the legislature. As long as the California ballot measures process is in existence, it is an arena the progressive movement cannot ignore.

Over the next two years, the SCF Coalition will actively organize to consolidate and expand the power we built in 2020 and assess ten factors to determine whether and when another “run” at Prop 13 is feasible and winnable:

1. A critical number of the labor and community core partners who anchored the coalition are committed to the exploration of another run
2. Completing a thorough debrief of the Prop 15 Campaign, and building alignment around the lessons learned and implications moving forward among the SCF coalition and key stakeholders
3. A critical mass of the SCF Coalition on board
4. The core funder allies who supported Prop 15 are committed to exploration and the campaign
5. Completing an assessment of the two- and four-year political terrain to determine opportunities, threats, changing dynamics, and the right timing for the fight
6. Securing sufficient funding for the next phase of policy research and campaign outreach to strengthen the measure, expand the coalition, and assess viability
7. Securing and expanding the number of “anchor” donors committed to the fight
8. A clear path to win as demonstrated through public opinion polling
9. Engaging in interim “stepping stone” battles to shift the public debate on tax equity statewide and regionally, and to provide opportunities for the SCF Coalition to flex its “organizing muscle”
10. Bringing in new constituencies, including expanding organizing capacity in traditionally conservative areas in the “fishhook” and other counties, while extending and deepening our reach into pockets of low voter engagement in urban and coastal areas

Prop 15’s slim loss means that billions of dollars of new revenue will be lost for local services and school districts. This comes on top of decades of austerity budgets, resulting in deep cuts to public health services, fire departments, and the social safety net, which have exacerbated the challenges California has faced in responding to the current crises. And while the state this year has a one-time surplus, largely because big businesses have seen record profits and executive pay skyrocketed during the pandemic, local cities and counties will inevitably confront draconian choices in the face of dwindling resources. California needs structural solutions—including closing the corporate property tax loophole enshrined in Proposition 13—to fully fund a thriving and equitable recovery.
For more information, contact: California Calls at www.CaliforniaCalls.org and info@californiacalls.org.

COALITION MEMBERS