



California
CHAPTER

LEGISLATIVE REPORT #278

CMA and CHA Part of Joint Coalition To Extend Proposition 30 Income Taxes

November 5, 2015: Over the past few months there has been shifting and negotiation between various groups vying to extend the income tax portion on the Proposition 30 taxes which are set to expire in 2018.

The California Teachers Association (CTA) was the first group to announce their desire to extend the income taxes in Proposition 30 for the purpose of funding education.

Shortly thereafter, SEIU and CHA formed an alliance and put forward their own initiative to extend the Proposition 30 income taxes and use the funds for both healthcare and for education. After this initiative was filed CTA began expressing their "disappointment" CHA would target the Proposition 30 funds after CTA laid claim to the Proposition 30 "territory".

Just last week CTA filed three initiatives targeting the hospital industry to limit the compensation of hospital executives and administrators, limiting the amount hospitals can charge, and establish charity care levels for non-profit hospitals. These are the same three initiatives SEIU-UHW filed in 2014.

After some quick negotiations, CHA just announced a deal was struck between CTA, SEIU, CHA, and the California Medical Association to jointly pursue an initiative to extend the Proposition 30 income tax from 2019 – 2030. CHA indicated roughly \$1 billion of the funds raised will be used to increase Medi-Cal reimbursement for hospitals.

CHA, SEIU, and CMA are also teaming together to pursue a tobacco tax increase of \$2/pack to increase reimbursement rates for Medi-Cal providers. There has not been any indication if the deal on Proposition 30 will have any impact on the future of the tobacco tax initiative.