

2016 Campaign Budgets and 2018 Initiative Spending Forecast

After each election cycle, Forward Observer analyzes spending by California ballot initiative campaigns, in order to identify best practices and emerging trends and to assist clients as they plan for the next election cycle.

Thirteen campaigns on the 2016 California ballot outspent their opponents, with budgets of at least \$5 million:

- Yes on 51: Issue \$9 billion in bonds for education and schools.
- Yes on 52: Extend a fee on hospitals to fund Medi-Cal.
- No on 53: Require voter approval of revenue bonds.
- Yes on 54: Prohibit the Legislature from passing any bill not in print for 72 hours.
- Yes on 55: Extend higher tax rates on incomes over \$250,000.
- No on 56: Increase the cigarette tax.
- Yes on 57: Reform parole.
- Yes on 60: Require use of condoms in adult films.
- No on 61: Require state purchases of drugs at the same prices offered to the Department of Veteran Affairs.
- Yes on 62: Abolish the death penalty.
- Yes on 64: Legalize the recreational use of marijuana.
- No on 66: Reform the death penalty appeals process.
- No on 67: Ban grocery bags statewide (and transfer the fees into a special fund.)
*See end note, on No on 67.

As shown in Table 1, 8 of these 13 well-funded campaigns in 2016 won their contests – a success rate of 61 percent. This is a decline from 2014, when all four “big spenders” won their contests, but an improvement over 2012, when well-funded campaigns had four wins and four losses.

Table 1
2016 “Big Spender” Campaigns

Campaign	Expenditures	Result
Yes on 51	\$12,818,268	Passed
Yes on 52	66,524,625	Passed
No on 53	23,031,619	Failed
Yes on 54	11,875,927	Passed
Yes on 55	61,575,473	Passed
No on 56	70,561,604	Passed
Yes on 57	25,045,650	Passed
Yes on 60	5,045,799	Failed
No on 61	111,247,002	Failed
Yes on 62	16,606,107	Failed
Yes on 64	42,063,064	Passed
No on 66	17,954,596	Passed
No on 67	7,537,498	Passed

SOURCE: Secretary of State website. See notes on page 5.

Estimating 2018 Initiative Budgets

In our prior studies of ballot initiative spending, we suggested campaigns could set budget targets based in part on the level of spending by “successful” well-funded campaigns in previous election cycles.

In total, out of 31 well-funded ballot initiative campaigns in the past three cycles, 19 were successful – a success rate of 61%– and spent an average of \$35.0 million.

- There have been 8 successful well-funded “no” campaigns, which spent an average of \$45.3 million (see Figure 1).
- There have been 11 successful well-funded “yes” campaigns, which spent an average of \$27.5 million (see Figure 2).

Therefore, based on the experience of 31 well-funded and successful campaigns over the most recent three election cycles (2010, 2012 & 2016), our projected budgets for “No” and “Yes” campaigns in the upcoming 2018 cycle are as follows:

Table 2
Estimated 2018 Ballot Campaign Budgets

Side	Budget
“No” Campaign	\$45.3M
“Yes” Campaign	\$27.5M

Looking Back at Our 2016 Spending Forecast

Two years ago, based on the experience of 15 successful, well-funded campaigns over three election cycles (2010, 2012 & 2014), we projected budgets for “No” and “Yes” campaigns in the 2016 election cycle as follows.

Table 3
Estimated 2016 Ballot Campaign Budgets

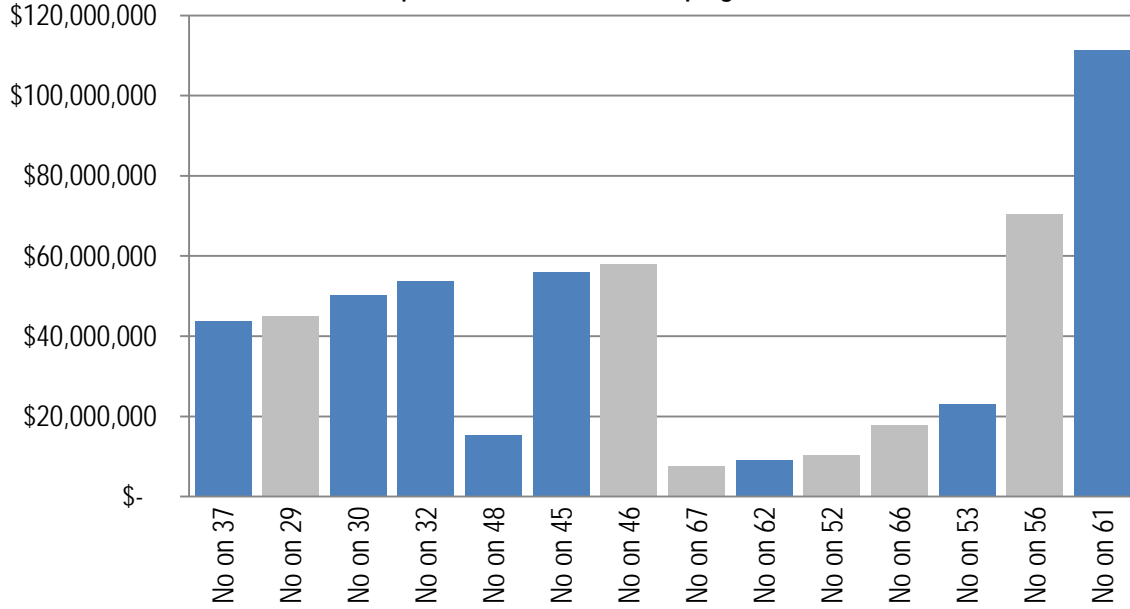
Side	Budget
“No” Campaign	\$38.1M
“Yes” Campaign	\$17.2M

With respect to “No” campaigns in the 2016 election cycle, budgets ranged from a low of \$7.5 million (No on 67) to a high of \$111.2 million (No on 61). Campaigns that spent at or above our projected budget of \$38.1 million had a 50% success rate; campaigns that spent less than this amount had a 40% success rate.

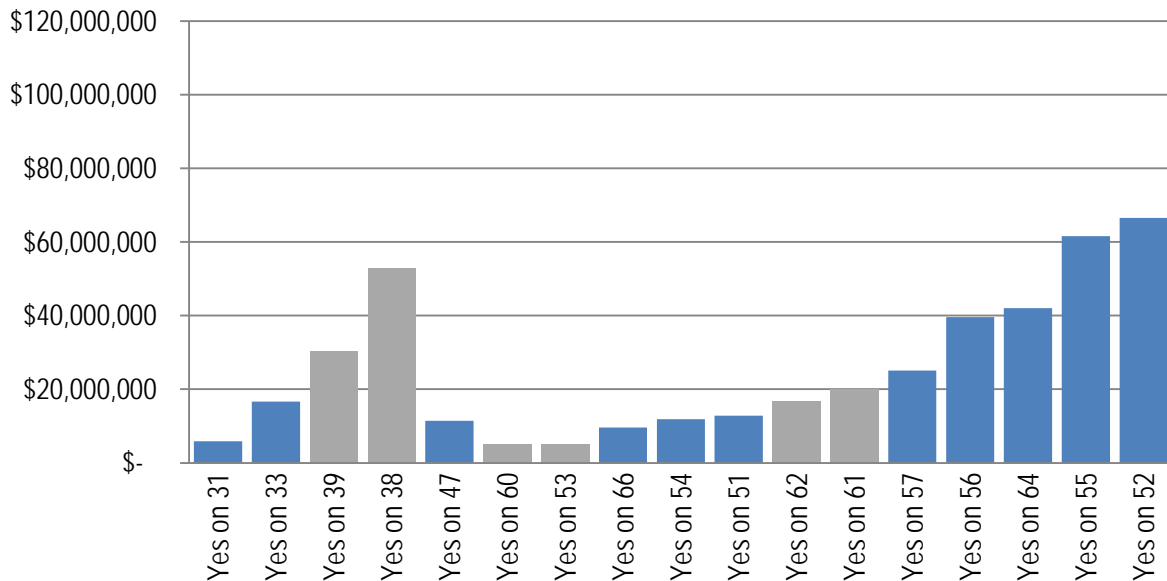
With respect to “Yes” campaigns, budgets in 2016 ranged from a low of \$9.6 million (Yes on 66) to a high of \$66.5 million (Yes on 52). Campaigns that spent at or above our projected budget of \$17.2 million had a success rate of 83%; campaigns that spent less than this amount had a 50% success rate.

Spending by major campaigns in the 2016 cycle is shown in Table 4.

**Figure 1
Expenditures Of "No" Campaigns Since 2012**



**Figure 2
Expenditures Of "Yes" Campaigns Since 2012**



■ Winners
■ Losers

Table 4
2016 Initiative Campaign Budgets

Initiative	Yes	No
51	\$12,818,268	\$0
52	66,524,625	10,296,098
53	5,068,166	23,031,619
54	11,875,927	27,304
55	61,575,473	0
56	39,631,653	70,575,381
57	25,045,650	1,254,257
58	4,867,599	0
59	537,443	0
60	5,045,799	603,390
61	20,067,020	111,247,002
62	16,606,107	9,076,618
63	4,549,720	1,145,573
64	42,063,064	2,510,023
65*	See note*	0*
66	9,644,138	17,954,596
67*	3,541,931*	7,537,498*

SOURCE: Secretary of State website. See notes below.

Notes:

Some committees were active in more than one campaign. Example: "Million Voter Project Action Fund - Yes on 55, 56, 57, 58, 62, And No on 66" committee. In these instances, the committee's total expenditures were included for each initiative in which it was active.

An earlier version of this paper included a contribution of \$9.7 million in stock to Yes on Prop. 54, which was reported by the Secretary of State as an expenditure.

* Spending against Prop 67, the referendum on the Legislature's statewide plastic bag ban includes spending in support of Prop 65, the initiative directing any statewide bag fees to a special fund. No funds were spent against Prop 65.