

The *California Prosperity Agenda* includes solutions for Californians to pursue over the next several years. These include:

Freeing California from burdensome tax policies that hinder growth and drive people and businesses away.

It is no secret that California's tax code is a mess. Today, Californians and California businesses pay a host of taxes that penalize success, job creation, and commerce within the state. Pro-growth reforms to our tax system would encourage jobs, prosperity, and revenue in California. Equally important, it would eliminate tax incentives that drive individuals—and the jobs and businesses they create—out of the state.

Promoting pro-growth tax reform is central to PRI's mission of championing freedom, opportunity, and personal responsibility for all individuals. This year, we are pursuing every opportunity to shape the public conversation on this vital issue.

Untethering small businesses and other job creators from onerous regulations.

In PRI's *50-State Index of Small Business Regulations*, California ranked last among all 50 states. The state has among the highest worker's compensation costs, one of the highest minimum wage laws, and very high start-up, filing, licensing, and litigation costs. Reducing some of these regulatory burdens will help give Californians more opportunities to start their own businesses, contribute to the next major innovation, or get well-paying jobs.

Safeguarding California's communities through commonsense public safety laws.

Crime rates in California have significantly increased over the past two years because of misguided policies that minimize the importance of public safety. The state needs to restore its focus on public safety, strengthening support for local police and restoring penalties for so-called low-level offenses that are truly serious crimes.

Championing school choice to ensure the best possible education for all of California's children.

All children deserve the opportunity to attend a good school. Seventeen states have passed laws creating scholarship-granting organizations (SGOs), so that low-income students can attend better schools. SGOs take contributions from individuals and businesses to provide scholarships for individual students to attend private schools.

This is a perfect example of the free market at work for good. Private individuals and private sector businesses—through their own initiative—are choosing to fund scholarships for less fortunate students within their states. And yet, progressive, big-government lawmakers won't go for it. Why not? Because the sad reality is that often, these legislators put the interests of unions before the interests of California's children.

PRI has a strong history of promoting quality, accessible education in our state—from championing charter schools and school choice options to making the case against mandatory teacher union dues—and we are excited to continue this good work throughout 2017.

Equipping teachers and students to take full advantage of new education technologies.

New technologies are revolutionizing the way students learn. Blended learning is an educational technique that combines traditional classroom instruction with digital learning that adapts to the individual student user. Blended learning has tremendous potential, but most teachers lack adequate training to make the best use of this technology. PRI will show how blended learning improves educational outcomes and how teachers can integrate this method into their classrooms.

Requiring cost-benefit analyses for prospective climate change regulations.

Many Californians are concerned about climate change, but they are fed up with disappointing and onerous public policies that achieve little while hindering lots. California policymakers should be required to develop and disclose a cost-benefit analysis when proposing any climate change requirement that increases the cost of energy.

Lifting Californians out of energy poverty.

High energy costs are a burden to both residents and businesses. The state's renewable energy mandates require the use of expensive sources of electricity to meet future, unrealistic reductions. The state needs to reform its energy policies to attract businesses, bring back manufacturing jobs, and reduce electricity prices for consumers.

Reforming California's inefficient transportation infrastructure.

California spends *4.7 times* more per mile than the national average to maintain its state-controlled highways. For every mile of highway it controls, California spends \$77,000 on administration costs—taxpayer money that never makes it to filling potholes, repairing bridges, or improving roads. PRI will ensure that Californians understand the waste that exists in our state's transportation infrastructure and what can be done to fix it.

Making housing more affordable and accessible.

For too many Californians, housing is unaffordable and inaccessible. The average California house costs $2\frac{1}{2}$ times the national average, while average monthly rents are 50 percent higher than the national average. Misguided government policies have disincentivized home construction, which has directly harmed low and middle income Californians by causing housing shortages and driving prices up to unattainable levels.

California must reform its housing policies to increase supply and affordability by rolling back onerous regulations, streamlining complicated approval processes, and eliminating nuisance lawsuits that prevent construction.

Reducing poverty by increasing opportunity.

California has the highest poverty rate in the nation. Government programs that were designed to help the poorest Californians are trapping people in a life of poverty. Government must be accountable for the money it spends and evaluate welfare programs based on their effectiveness in lifting Californians out of poverty.

Advancing opportunity for all Californians and keeping government accountable are core parts of PRI's mission, and we are making progress on both fronts this year.

Unshackling the sharing economy.

The sharing economy is changing the way goods and services are provided by private companies in California and the nation. Unfortunately, government too often uses outdated regulations to pick economic winners and losers, support the status quo, and constrain the growth of these businesses. Government should adopt policies that help to incubate the

sharing economy and ensure that these cutting-edge firms will continue to innovate and revitalize growth in the state.

With its strategic location in the heart of Silicon Valley, PRI is currently producing a major study on regulations and the sharing economy in California.

Planning for California's water future.

California has water problems. Following years of record drought, 2017 brought with it months of record rainfall. But the state lacked a plan to handle this excess water and is now releasing billions of gallons of water to prevent flooding—water that could have sustained as many as **four million households**. California must reform laws that derail critical water projects and prioritize projects that effectively address the structural integrity of the state's water systems and increase the capacity of California's water supply.

Reviving California's dormant manufacturing potential.

A vibrant manufacturing sector is key to California's economic future, yet the state continues to cripple the industry with needless regulations. Sacramento must embrace policies that bring back manufacturing jobs, such as reducing unrealistic energy mandates, paring down the red tape required to start and grow a business, and keeping taxes low.

Cultivating California's agricultural sector.

As with manufacturing, agriculture is bursting with potential in California, yet is left behind by failed big-government policies. The sector is faced with numerous environmental regulations that often conflict with each other, sowing confusion and hamstringing any hope of innovation and growth. It is past time for California to leave behind these onerous and outdated laws and allow the agricultural sector to grow and flourish.

Advancing sensible health care policies in California.

All Californians deserve affordable, accessible, quality health care. If passed, the Healthy California Act would make California the first state to approve a single-payer, Medicare for All health care system. A single-payer plan would break the state budget, require care to be rationed, create lengthy wait times, and cause many doctors to leave.

PRI promotes the elimination of insurance mandates that raise the cost of health insurance, allowing Californians to purchase health care outside California, and opening the insurance market to more competition. For too long, the federal government has made health care hard to pay for and hard to get.

Health care has been my primary focus of research in the more than 26 years that I have been with PRI. I know this fight. It won't be easy, but I can say with confidence that we