



The Difference Prop 30 Makes

Proposition 30, officially known as the Schools and Local Public Safety Protection Act of 2012, has been successful in stabilizing the fiscal health of K-12 schools and community colleges, which had been reeling from the Great Recession on top of years of underfunding. The proposition was funded by raising income tax rates (by 1% - 3%) on the wealthy (individuals making over \$250,000, and families making over \$500,000), and increasing sales taxes by a quarter of a cent (0.25 percent).

The proposition was designed as a temporary measure. The additional sales tax is due to expire on December 31, 2016, while the personal income tax increase will sunset at the end of 2018. However, considering the success that Prop 30 has had in resurrecting much-needed programs, especially reaching the students who need the most help in our schools, CFT believes we need to extend Prop 30 to maintain progress toward a first-class education system. Currently petitions are circulating to place an extension on the November 2016 ballot. This ballot measure will drop the sales tax; it seeks only to extend the income tax on the wealthy for twelve years. It is estimated this will bring in \$5 – 11 billion per year.

- Prop 30 has **generated more than \$20 billion** for California schools since January 1, 2013, after winning approval on the November 2012 ballot.
- Prop 30 stemmed fiscal bleeding and **saved jobs**. The *San Jose Mercury-News* reasoned that the proposition “stabilized school funding in California for the first time since the Great Recession began, allowing school districts to avert thousands of teacher layoffs.”
- The torrent of March 15 layoff notices that removed one in ten California teachers between 2008 and 2011 has slowed to a tiny trickle. Compared to the thousands of notices going out each year, most districts have sent out no March 15 notices. For instance, in 2010-11, El Rancho Unified in Pico Rivera sent 53 notices: this year none. The same year, Pajaro Valley Unified in Watsonville sent 158: this year none. Instead of issuing layoff notices, districts are beginning to hire teachers and classified employees again.
- Combined with the responsible budgeting process created by Prop 25 in 2010, Prop 30 means California’s decades-long **budget-botching was corrected**. “I don't know that taxpayers much appreciated it, but it helped the state cover its costs,” said Joseph Henchman, a vice president at the Tax Foundation, a nonpartisan research group in Washington, D.C.
- A January 2015 poll by the nonpartisan Public Policy Institute of California found that 52 percent of likely voters **support continuing the taxation** enacted by Prop 30.
- “There is absolutely no reason why we shouldn’t **extend Prop 30**,” says CFT president Joshua Pechthalt. “While Prop 30 has been a major success, public education in California is seriously underfunded and we still rank near the bottom in of the nation in per-pupil spending, class-size average and per-student ratio in nurses, librarians and counselors.”

- Tom Torlakson, the state superintendent of public instruction, called for an extension of Proposition 30 as far back as January. Assemblymember Kevin McCarty told the *Sacramento Bee* as early as September 2014, “I think there should be **a case to make it permanent.**” Lieutenant Governor Gavin Newsome supports extending Prop 30.
- Prop 30 provided **\$659.4 million** to LAUSD, or 12 percent of its funding, in 2012-13, and an additional **637.6 million** in 2013-14. Local Control Funding Formula (LCFF) monies, which were bolstered through the income generated by Prop 30 statewide, totaled **\$4.1 billion** in 2013-14, and **\$4.5 billion** in 2014-2015. These funds equalize funding for low-income districts.
- “Arts education at the [Los Angeles Unified S.D.] was decimated during the recent budget crisis,” said Dr. Steven McCarthy, who heads the district’s Arts Education Branch. “But with the passage of Proposition 30 and an improving economy, we are now in position to implement **significant changes in the teaching of dance, music, theater** and visual arts to our students.” The Los Angeles experience is mirrored by other districts that have been able, through the LCFF process, to prioritize restoration of arts programs, and send dollars and programs to the most needy students.
- In Community Colleges, students are once more beginning to be able to access classes cut during the Great Recession. In Citrus College, in Glendora, hundreds of class sections have been restored; in LACCD, thousands of classes have come back. Prop 30 monies are averaging 15% of revenues for community college districts.
- In the CSU and UC system, after years of increases that threatened to place higher education out of reach of working families, tuition has been frozen, thanks to Prop 30.

You will hear arguments like “the economy has recovered so there is no need to extend Prop 30.” But this is a recovery in which over 90% of the income gains have gone into the pockets of the richest 1%. The reasons for passing Prop 30 are the same as reasons to extend it: to restore funding lost to years of cuts, and restore resources teachers need to teach and programs students need to learn. You will hear the same arguments against extending Prop 30 that we heard during the Prop 30 campaign: all the rich people will leave California, and they will take all the jobs with them. Here are the simple facts: Since Prop 30 passed, California has gained 1.3 million private sector jobs, and there were 10 thousand *more* California millionaires in 2014 [last year figures available] than before Prop 30 passed in 2012, according to the California Budget & Policy Center. Well-off people don’t leave a state because their income taxes are raised a few percentage points. They are more likely to stay in a state with robust public services and a dynamic education system. Finally, we all know that eventually there will be a recession. The economy is cyclical. We do not need to repeat the experience of 2008-2011, with layoffs of tens of thousands of teachers and terrible disruptions to students’ education. Extending Prop 30 is the bottom line to ensure California’s future remains bright.

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For more info, or to reach CFT representatives for further comment, please contact CFT Communications Director Fred Glass, 510-579-3343, fglass@cft.org, or visit the progressive tax pages on the CFT website: www.cft.org/key-issues/tax-fairness.html. State Controller Betty Yee has created a “Track Prop 30” web page with Prop 30 data from each school and college district: <http://trackprop30.ca.gov/>.