



**HELP OUR
CHILDREN
THRIVE!**

Frequently Asked Questions about Proposition 55

Question	Answer
<p>What is Proposition 55, the Children’s Education and Health Care Protection Act of 2016?</p>	<p>California students, schools and colleges can’t afford to go back to the days of massive teacher and staff layoffs, larger class sizes, and cuts to programs like art and music, and the state should protect essential services. Proposition 55 does not raise taxes on anyone; it simply maintains the current income tax rates on the wealthiest Californians. Prop. 55 prevents nearly \$4 billion in funding cuts for public education and protects other vital services, like children’s health care. Money goes to local schools and the Legislature can’t touch it. Prop. 55 contains strict accountability requirements to ensure funds designated for education go to classrooms, not to bureaucracy or administrative costs.</p>
<p>What will happen if we don’t maintain the current taxes on the wealthiest Californians?</p>	<p>Prop. 55 protects our students and public schools from massive budget cuts, educator layoffs, larger classes and tuition hikes.</p> <p>Budget forecasts show that unless we maintain the taxes on the wealthy, our public schools will lose nearly \$4 billion and our state budget will face a deficit of more than \$4 billion in the first full year alone.</p> <p>Governor Jerry Brown has said that the state will be forced to make cuts if Proposition 55 doesn’t pass. Our priority should be protecting our public schools, not risking a return to the days of deep cuts and overcrowded classrooms.</p>
<p>Is Proposition 55 a tax increase?</p>	<p>Prop. 55 does not raise taxes on anyone.</p> <p>Prop. 55 only affects the wealthiest Californians who can most afford it, ensuring they temporarily continue to pay their share of taxes so that funding for education and other vital services is not cut – <u>this is not a tax increase.</u></p>

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<p>Is Proposition 55 an extension of Proposition 30, which passed in 2012?</p>	<p>Yes, Prop. 55 temporarily extends the income tax rates on the wealthiest Californians created under Prop. 30 in order to maintain funding for education and health care. However, the quarter-cent sales tax increase will expire as planned in 2016.</p> <p>By temporarily maintaining the tax rates on the wealthiest, we will stop the state from going back to the days of massive educator layoffs, larger class sizes, and cuts to programs like art and music, while also protecting vital services, like health care for children.</p>
<p>Why is this funding so important to our schools?</p>	<p>California public school funding was cut to the bone during the recession, with more than 50,000 educator layoffs, programs eliminated, and larger classes. Public schools and colleges are just starting to recover from these cuts, and unless we pass Prop. 55 to maintain the current income tax rates on wealthiest Californians, our schools will lose nearly \$4 billion a year. We cannot go back to the days of devastating budget cuts that hurt our children.</p>
<p>Will this address the teacher shortage our schools are facing?</p>	<p>There is no question California is facing a severe teacher shortage. The state needs to hire more than 22,000 teachers this school year alone, and there is still a need to hire school employees like library aides, bus drivers and custodians.</p> <p>Funding from Prop. 55 will give local school districts the money they need to hire quality teachers and school employees, and to reduce class sizes for our students.</p>
<p>Will Proposition 55 expand health care coverage for low-income children and families?</p>	<p>Yes, if certain budgetary requirements are met, the initiative will provide up to \$2 billion annually in funds to improve access to health care for low-income children and their families under the Medi-Cal program.</p> <p>This measure helps low-income families with children get the care they need, especially preventative care, which keeps kids healthier and saves California money in the long run. Prop. 55 will help low-income children come to school healthy and ready to learn – because everyone deserves access to quality health care, not just the wealthiest Californians.</p>
<p>Are there any accountability requirements? How do we know how the money is spent?</p>	<p>Yes, Prop. 55 contains strict accountability and transparency requirements to ensure funds designated for education go to classrooms, not to bureaucracy or administrative costs.</p> <p>Prop. 55 puts new revenue into a specific fund, the <i>Education Protection Account</i>, to make sure the money goes to local schools. The Legislature can't touch it.</p> <p>Also, local school districts must separately identify how the funds are spent</p>

	<p>in their annual budgets and must post spending online to guarantee that Californians know exactly how and where funds are spent. Local districts are also subject to independent local audits.</p> <p>Further accountability is provided through www.trackprop30.ca.gov, which allows the public to see how Prop. 30 funds have been spent.</p>
Are the taxes temporary?	Yes, the current income tax rates on the wealthiest Californians would be temporarily extended for 12 years.
Does Proposition 55 continue the Prop 30 sales tax increase?	Working, middle class families and small businesses will benefit as the quarter-cent sales tax increase that was part of Prop. 30 expires as planned at the end of this year.
How much revenue will this initiative generate?	The initiative will generate an estimated \$8 billion per year on average.
Where do the revenues from Proposition 55 go?	<p>Every dollar of revenues from Proposition 55 must be spent on education and on health care for low-income children and families. This is clearly required in the initiative.</p> <p>The revenues from Prop. 55 are put into the Education Protection Account. Funds are first directed to K-12 schools (89%) and community colleges (11%). Then, when the state’s constitutional obligations to schools have been met and the state budget is balanced, up to \$2 billion goes to fund access to health care for low-income children and families.</p> <p>By helping meet the state’s obligation to schools and community colleges, the initiative can free up funds to help the State prevent budget cuts, maintain current funding levels for other General Fund programs, and invest in the state’s Rainy Day Fund.</p>
Do the revenues from this measure fund education and the Prop. 98 guarantee – the public education spending requirement?	<p>Yes, revenues will continue to be deposited into the <i>Education Protection Account</i>, a dedicated fund that directs money to K-12 public schools and community colleges.</p> <p>By helping the state maintain and fund education, the state will then be freed up to direct funds that would have otherwise been necessary for education to vital services, like health care, higher education, the state’s Rainy Day Fund, and a balanced state budget.</p>
Does Proposition 55 help maintain a balanced budget?	Yes, this initiative has built-in flexibility that provides for relief in budget emergencies.

<p>What are the tax rates and tax brackets?</p>	<p>Prop. 55 only affects the wealthiest in California and does not increase taxes. It simply extends current income tax rates on the wealthiest Californians, who will continue to pay what they already are.</p> <p>This initiative temporarily maintains the current income tax rates and brackets for 12 years:</p> <p>10.3%- \$250-\$299 K 11.3%- \$300-\$499 K 12.3%- \$500 K+</p> <p><i>All brackets double for joint filers</i></p>
<p>Are income brackets indexed for inflation?</p>	<p>Yes.</p>
<p>Are the revenues subject to Prop. 2 – the Rainy Day Fund?</p>	<p>Yes.</p>
<p>Why are we voting on this now when the current tax rates do not expire until 2018?</p>	<p>Most school districts plan their budgets two or three years in advance, so schools would have to start making cuts now if we wait until 2018 to vote on this measure.</p>