



## The Schools and Public Safety Protection Act of 2012



# Schools and Local Public Safety Protection Act of 2012

**Background:** The initiative proposes to temporarily increase income taxes on high-wage earners and the state sales tax. Income taxes would increase 3% on households earning more than \$1 million, increase 2% on households earning \$600,000-\$1,000,000, and increase 1% on households earning \$500,000-\$600,000. The state sales tax would increase a quarter of a cent. The sales tax hike expires in four years. The income tax increases expire in seven years. The measure is expected to generate about \$9 billion a year. The revenues from the new taxes will be placed into an education protection account to benefit pre-K-12 education and community colleges. In working through the general fund, money is also dedicated to the realignment that was signed into law this past legislative session and would be written into the constitution to benefit public safety and health services. The effect of paying for the realignment would be to free up additional money to be spent on higher education—CSU and UC—and other essential services. Without funding for the realignment, the state's budget deficit grows bigger and more budget cuts will have to be made.

### Main Point:

California schools, colleges, public safety and other vital services can't afford any more state budget cuts. The Schools and Local Public Safety Protection Act of 2012 is a tax on millionaires that asks the richest Californians to pay their fair share to help fund public education and other essential services. It is the only funding initiative that takes care of the whole state by closing the budget deficit and paying down the state's wall of debt. It does not raise income taxes on the poor or middle class. If the initiative fails, public education is facing an additional five billion in budget cuts next year.

### Important Points:

- This initiative is a balanced solution. After several years of massive cuts, this initiative helps balance California's state budget without raising income taxes on those hit hardest by the recession.
- In the past four years, public education has been cut by more than \$20 billion. Class sizes have soared at all grade levels. More than 40,000 educators have been laid off. Art, music, vocational education and after-school programs have been eliminated. School libraries have been closed. Tuition has increased more than 300 percent at state colleges and universities – pricing many students out of getting a higher education degree. Community College courses have been slashed and classrooms are overcrowded.

- It is essential that this initiative pass in November to avoid additional devastating cuts to our most critical programs, including education and health care. If this initiative fails our schools and colleges will be facing more than \$5 billion in additional budget cuts.
- All the revenue increases in this initiative are strictly temporary, designed to restore education funding and bring California's budget back into balance during these difficult times.
- This initiative guarantees that new revenue for education will be spent on schools at the local level, not administrative costs or Sacramento bureaucracy. It also requires transparency through a public audit when funds are allocated, so Californians can ensure our schools are getting the money they deserve.
- The public safety realignment implemented in 2011 helped balance California's budget and gave local counties more control over how money is spent in our communities, bringing government closer to the people. It is essential that this realignment be made permanent by the voters and is funded. This initiative will do exactly that. It guarantees that public safety funding will go straight to local governments, without being touched by Sacramento politicians.
- The initiative is supported by a broad coalition, including the governor, legislative leaders, labor unions, community groups, and businesses.
- The other tax initiative proposal currently in circulation is well-intentioned, but places a massive tax burden on those who can least afford it, even raising income taxes on Californians making less than \$8,000 annually! It also does very little to close the budget deficit, pay down the debt to education, or fund the shift of public safety services to local counties.