

Proposition 30: The Schools and Local Public Safety Protection Act of 2012 Fact Sheet

BACKGROUND

Proposition 30, a revenue-raising initiative on the Nov. 6, 2012 ballot, amends the California Constitution to increase the state's sales tax by a quarter-cent for four years and increase personal income tax rates on incomes above \$250,000 (above \$500,000 for joint filers) for seven years. The measure also guarantees that local governments continue to receive the share of tax revenues transferred to them in 2011 to pay for certain public safety programs.

The initiative is sponsored by Gov. Jerry Brown and is reflected in the 2012-13 state budget approved by state lawmakers. The measure requires support from more than 50 percent of voters to pass.

REVENUE

Over the fiscal years 2012-13 through 2016-17, Proposition 30 would raise about \$6 billion annually, according to the Legislative Analyst's Office. Smaller revenue increases are likely for 2011-12, 2017-18, and 2018-19 due to the phasing in and phasing out of the higher tax rates. Revenues also could change significantly from year to year due to the volatility of personal income tax revenues. If voters approve Proposition 30, the added revenue will help the state meet its Proposition 98 obligations to K-14 education and address the state's ongoing structural deficit, according to the LAO.

IMPACT ON UC

State funding for UC has dropped by nearly \$900 million – or about 27 percent – over the last four years, resulting in sharp tuition increases, staff layoffs, faculty hiring freezes, academic program cuts, and other reductions.

Under the terms of the 2012-13 state budget, failure of Proposition 30 would cost the University of California an additional \$375 million: an immediate cut of \$250 million, plus the loss of another \$125 million in funding promised in 2013-14 to pay for this year's freeze of mandatory systemwide student charges at UC.

In addition, UC and state leaders have discussed entering into a multi-year funding agreement that could provide modest but predictable increases in UC's base budget to help fund the university's core needs and return stability to UC tuition and fees. Such an agreement is contingent upon passage of Proposition 30.

WHAT OPPONENTS SAY

Opponents argue that Proposition 30 would raise sales and income taxes on all Californians, not just the wealthy; would harm small businesses; and would not actually provide new funding for schools. Opponents include the Howard Jarvis Taxpayers Association, the Federation of National Independent Business, and the Small Business Action Committee. Learn more at www.stopprop30.com.

WHAT SUPPORTERS SAY

Supporters argue that Proposition 30 helps balance the state budget, guarantees local public safety funding, and prevents the state from making deep budget cuts to K-12 schools and universities. Supporters include the California Teachers Association, the American Federation of State and Municipal Employees (AFSCME), and the California State Sheriffs Association. Learn more at www.yesonprop30.com.

UC BOARD OF REGENTS ENDORSEMENT

The Board of Regents endorsed Proposition 30 at its July 18 meeting (www.universityofcalifornia.edu/news/article/28037). University resources may not be used to campaign for or against a ballot measure, but the university can share factual information about its impact on UC. Additional information is at www.universityofcalifornia.edu/news/article/28244.

LEARN MORE

Additional information about Proposition 30 and other measures on the November ballot is available on the Secretary of State's website at www.sos.ca.gov/elections/ballot-measures/qualified-ballot-measures.htm.