

Children's Education and Health Care Protection Act Talking Points

- The last recession caused more than \$56 billion in cuts to education, health care, and other critical services.
- Voters approved Prop 30 in 2012, which helped put California back on the road to budget stability. Had Prop 30 not passed, California would have faced another \$6 billion in cuts in 2013 alone. Instead, California began restoring funding for our public schools and restoring cuts to important vital services.
- Prop 30 helped public education recover some of the funds it lost during the recession. We are only now just starting to get our schools and community colleges on track.
- Prop 30 funds are making a difference for our students – We have hired more teachers, brought additional books and supplies directly to the classroom, expanded libraries and improved our community colleges, while at the same time helped to stabilize California's budget.
- It also has allowed more funds to prevent even more devastating cuts to services for seniors and low-income children, along with health care programs.
- Governor Brown's budget forecasts show that unless we extend Prop 30, our schools will face nearly \$5 billion in cuts and our budget will face a nearly \$3 billion deficit in the first year alone.
- Without an extension, we risk going back to the days of massive budget cuts, teacher layoffs, and huge budget holes for our health care programs.
- Temporarily extending Prop 30 will only affect the top 2% of earners in the state, and will automatically expire after 12 years.
- The measure is expected to raise \$8-11 billion a year.
- The money generated by the Children's Education and Health Care Protection Act will go directly into a special fund that supports K-12 education, community colleges and increase state funds for seniors, low-income children health care and to invest in our Rainy Day budget reserves.
- With this temporary extension, up to \$2 billion a year will go to health care for low-income children and their families.
- This initiative continues tough audit and disclosure requirements and independent oversight. It also continues accountability through www.trackprop30.ca.gov which allows the public to see how every dollar of Prop 30 funds have been spent. The money is also subject to audits by the State Controller.
- Proposition 30's quarter-cent sales tax increase would not be extended and will expire on schedule in 2016.

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Common Questions and Answers:

1. Q: I thought California had a surplus/balanced budget?

A: We do right now, but only because Prop 30 helped stop the bleeding after years of deficits and deep cuts to education. Education funding still hasn't been restored to the level it was before the Great Recession. And unless we continue Prop 30, California will fall right back into the "bad old days" of deficits and cuts, facing \$5 billion in education cuts and a \$3 billion deficit the first year alone.

2. Q: I already pay too many taxes / doesn't California already have the highest taxes in the country?

A: This initiative doesn't raise taxes, it just asks the richest 2% of Californians to keep paying a little more. It continues the current income tax rates on couples earning half a million dollars and individuals earning a quarter million. And it actually lets the sales tax rate drop by a quarter point, helping all Californians keep more money in their pocket.