

★ ARGUMENT IN FAVOR OF PROPOSITION 55 ★

Proposition 55 prevents billions in budget cuts without raising taxes by ensuring the wealthiest Californians continue to pay their share. 55 requires strict accountability and transparency to ensure funds get to the classroom. We can't afford to go back to the days of devastating cuts and teacher layoffs.

Fact 1: Proposition 55 does not raise anyone's taxes.

- *Does not raise taxes on anyone.* Proposition 55 maintains the current income tax rate on couples earning over \$500,000 a year.
- *Only affects the wealthiest Californians who can most afford it,* ensuring they continue to pay their share of taxes.
- *Lower sales tax.* Under Proposition 55 all Californians' sales tax are reduced.

Fact 2: Proposition 55 has strict transparency and accountability requirements to ensure education funds get to the classroom.

- *Money goes to local schools and the Legislature can't touch it.* Strict accountability requirements ensure funds designated for education go to classrooms, not to bureaucracy or administrative costs. Authorizes criminal prosecution for any misuse of money.
- *Mandatory audits and strict transparency requirements.* Local school districts must post annual accounting online to guarantee that Californians know exactly how and where funds are spent.
- *Provides local control over school funding.* Proposition 55 gives control to local school boards to determine student needs.

Fact 3: Proposition 55 prevents up to \$4 billion in cuts to schools and continues to restore funding cut during the recession.

- *Proposition 55 helps address California's looming teacher shortage.* The state needs an estimated 22,000 additional teachers next year alone. Proposition 55 gives local school districts the money they need to hire teachers and prevent overcrowded classes.
- *Proposition 55 helps restore arts and music.* Arts and

music programs faced deep cuts during the recession. Proposition 55 will help protect and restore those programs.

- *Makes college more affordable.* Proposition 55 prevents cuts to California community colleges, preventing tuition increases and helping make classes more available to California's 2.1 million community college students.
- *Expands health care access for children.* Healthier children are healthier students. Too many families can't afford basic health care, meaning children miss school or come to class sick. Proposition 55 helps kids come to school healthy and ready to learn, because all children deserve access to quality health care, not just the wealthiest Californians.

California needs to keep moving forward, we can't afford to go back to the days of devastating cuts to public schools, colleges, and health care.

30,000 teachers were laid off, class sizes grew, and the cost of community colleges doubled.

Governor Jerry Brown has said that we'll face even more cuts if Proposition 55 doesn't pass.

Proposition 55 gives Californians a clear choice: voting YES protects our schools and children from massive cuts; voting NO costs our schools up to \$4 billion a year.

California's schools are starting to come back. Passing Proposition 55 will ensure that our children won't face another round of cuts. The future of California depends on the future of our children.

*Because our children and schools matter most.*

Details at [www.YesOn55.com](http://www.YesOn55.com)

**JUSTINE FISCHER**, President  
California State PTA

**ALEX JOHNSON**, Executive Director  
Children's Defense Fund—California

**TOM TORLAKSON**, California State Superintendent of  
Public Instruction

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 55 ★

TEMPORARY SHOULD MEAN TEMPORARY

Voters supported higher income and sales taxes in 2012 because Governor Jerry Brown made the commitment that they would be temporary.

The state budget has a surplus, and these temporary taxes should go away, just like the Governor promised.

PROP. 55 WILL HURT SMALL BUSINESS AND KILL JOBS.

Prop. 55 will kill jobs, close businesses, and hurt the economy. It will raise taxes on California's small businesses, and make it even harder for them to create good-paying jobs.

WE CAN'T TRUST THE POLITICIANS AND SPECIAL INTERESTS

The politicians and special interests know California is NOT facing cuts to programs. They just want to grow government bigger by passing Prop. 55. And they are using our kids and schools to scare voters into supporting it. Don't be fooled.

SCHOOLS ARE FULLY FUNDED

Education spending has grown by \$24.6 billion since

2012—a 52% increase.

Schools are funded, and the state budget is balanced. We have a \$2.7 billion surplus and over \$9.4 billion in budget reserves.

Prop. 55's new and higher taxes aren't needed.

DON'T BE FOOLED BY SCARE TACTICS, PROP. 55 IS NOT NEEDED.

Official budget estimates by the state's non-partisan Legislative Analyst show that higher taxes are NOT needed to balance the budget and fully fund schools. California can fund education, health care and state government without new or higher taxes.

VOTE NO ON PROP. 55

**JON COUPAL**, President  
Howard Jarvis Taxpayers Association

**TOM SCOTT**, State Executive Director  
National Federation of Independent Business—California

**TERESA CASAZZA**, President  
California Taxpayers Association

★ ARGUMENT AGAINST PROPOSITION 55 ★

In 2012, voters approved Proposition 30 tax increases because we were promised they'd be temporary and end in 2017.

Now special interests want to break that promise and extend these tax hikes 12 more years.

That's *not* temporary.

Here's the official title from the 2012 measure: Prop. 30: TEMPORARY taxes to fund education, guaranteed local public safety funding. Initiative Constitutional Amendment.

TEMPORARY SHOULD MEAN TEMPORARY

Voters supported higher income and sales taxes in 2012 only because Governor Jerry Brown promised they would be temporary:

"THAT'S A TEMPORARY TAX AND, TO THE EXTENT THAT I HAVE ANYTHING TO DO WITH IT, WILL REMAIN TEMPORARY."—*Governor Brown, Sacramento Bee, 10/7/14*

Governor Brown promised the higher taxes would only last a few years and then end. Now, special interests want to extend them 12 more years—that's not "temporary."

California's economy has recovered and we now have a BUDGET SURPLUS.

WE DON'T NEED HIGHER TAXES

California has a balanced budget, we've reduced debt, increased school spending, put billions into California's "rainy day fund" and still have a \$2.7 billion budget surplus.

California takes in more tax dollars than we need each year—that's why the state budget recovered from a \$16 billion deficit in 2012 to a \$2.7 billion surplus in 2016.

Education spending has soared by \$24.6 billion since 2012—a 52% increase.

Medi-Cal spending has increased by \$2.9 billion—a 13% increase.

WE CAN FUND EDUCATION, HEALTH CARE, AND STATE GOVERNMENT WITHOUT NEW OR HIGHER TAXES

Governor Brown has stated and budget estimates from

the Legislative Analyst show that higher taxes are not needed to balance the budget.

We have adequate funds for schools and other critical requirements—we just need politicians with the backbone to cut waste and prioritize our spending. What we don't need is the largest tax hike in California history, sending billions more to Sacramento with no accountability to voters.

PROP. 55 TARGETS CALIFORNIA'S SMALL BUSINESSES WITH HIGHER TAXES FOR 12 YEARS

This measure targets small businesses who often pay taxes on their business income through their personal tax return. Prop. 55 will kill jobs, close businesses and damage the economy.

THE SPECIAL INTERESTS JUST WANT MORE MONEY TO SPEND TODAY

It's a fair bet that Prop. 55 money will be spent to pay pension benefits and other state debt rather than making it to the classroom or building roads. It'll be just like the lottery—we'll never know where the money went.

WE CAN'T TRUST THE POLITICIANS AND SPECIAL INTERESTS

The politicians and special interests know California is NOT facing cuts to any programs now. They just want to grow government by passing Prop. 55—the largest state tax increase ever.

Check it yourself: California has a \$2.7 billion surplus, and over \$9.4 billion in budget reserves.

New and higher taxes aren't needed.

CALIFORNIA SHOULD KEEP ITS WORD: TEMPORARY MEANS TEMPORARY

VOTE NO ON PROP. 55—IT'S A BROKEN PROMISE

**JON COUPAL**, President

Howard Jarvis Taxpayers Association

**TOM SCOTT**, State Executive Director

National Federation of Independent Business—California

**HON. QUENTIN L. KOPP**, Retired Superior Court Judge

★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 55 ★

Vote YES on 55. Help our children thrive.

Prop. 55 makes sure we won't go back to massive cuts in school funding. It protects the education and health of our children.

Proposition 55 does not raise anyone's taxes:

- Prop. 55 *maintains current tax rates* on the wealthiest Californians to ensure couples earning more than \$500,000 a year continue paying their share.
- Proposition 55 does not raise taxes on small businesses.
- Under Proposition 55 the state sales tax is reduced as planned at the end of 2016.

Proposition 55 *prevents* up to a \$4 billion per year cut in public school funding:

- Proposition 55 helps address the teacher shortage and continues to restore the school funding that was cut during the recession.
- California's high school graduation rate rose for the sixth year in a row. Prop. 55 will help continue the progress.

Yes on 55 has strict accountability and fiscal

requirements to ensure education funds go straight to the classroom:

- Revenue is guaranteed in the Constitution to go into a special account for schools and children's health care that the *Legislature can't touch*.
- Money will be audited every year. Audit findings are posted at <http://trackprop30.ca.gov/> so taxpayers can see how their money is spent.
- There are strict requirements that funding must go to the classroom, not administration or Sacramento bureaucracy.
- Proposition 55 authorizes criminal prosecution for misuse of money.
- The continuation of the current tax rates on the wealthiest is subject to the vote and will of the people.

**ERIC C. HEINS**, President

California Teachers Association

**BETTY T. YEE**, California State Controller

**ANN-LOUISE KUHNS**, President

California Children's Hospital Association