

Additional education cuts on horizon after passage of California tax proposition

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By a 54 to 46 percent margin, California voters passed the ballot measure known as Proposition 30 last week.

Passage of the initiative increases the state's sales tax rate from 9.25 percent to 9.75 percent—a regressive tax measure that places the burden primarily on working people. The measure also contains modest income tax increases on those residents making more than \$250,000 per year. The current marginal tax rate for such individuals is 9.3 percent. The increase will be 1 to 3 percentage points depending upon tax bracket.

The measure was sold to the state's working class as a means to save public education—which has borne the brunt of billions of dollars in cuts in recent years. Governor Jerry Brown, who has already implemented drastic austerity measures, threatened that if the measure was not passed, massive cuts would automatically be implemented to K-12 schools and the state college and university systems. The increase in taxes on the wealthy—a popular proposal—was packaged with the sales tax increase in order to increase support and give the pretense of “shared sacrifice.”

Brown has made no promises to restore education funding and indeed made it quite clear after the passage of Proposition 30 that all previous cuts were justified. Said Brown, “We are now living within our means because of the cuts and because of Prop 30. That money will pay down debt, and then with the economic recovery, it will create more and more money per child in the classroom.”

Even the most optimistic analysts admit that the measure's passage will not in any meaningful way increase public education funding to restore the 80,000 jobs lost since the onset of the recession, nor will it reopen any closed public schools nor provide new resources for students. As Brown's statements make

clear, any increase in public education funding is premised on a fictional “economic recovery.”

State unions, which are close allies of Brown, spent more than \$50 million to support the proposition. Prominent among them was the California Teachers Association (CTA).

The CTA's campaign, “Yes on Proposition 30 – Our Schools Need New Revenue,” accepts the claim that there is no money for education and places responsibility to end further cuts entirely on the backs of the working class.

The CTA has opposed any attempt to actually mobilize teachers and other workers against cuts to public education, even with more than \$18 billion cut since the onset of the economic crisis. Instead it literally shared the stage at multiple events during the campaign with Brown and other leading Democratic party officials who have been instrumental in imposing those cuts.

At a pre-election rally in San Francisco Brown cynically said, “California has been gutting its schools. We have thirty thousand fewer teachers. Now, is the moment when we have to show that we care about our kids.”

Overall, state officials estimate that the measure's passage will bring in an additional \$6.6 billion in tax revenue. The projected budget deficit for the beginning of fiscal year 2012-2013 was \$15.7 billion, and the state of California has sustained multi-billion dollar deficits since the start of the recession.

A significant portion of the new revenue is to be placed in what's being termed an “Education Protection Account.” Under state law, a portion of the state's general fund, typically around 39 percent, must be used to fund public education under the state's Proposition 98. The Education Protection Account

would simply handle those portions of the new revenue mandated to fund public education.

Since 2008, more than \$18 billion has been cut from public education in the state, at least \$5 billion of which was due to deferred funding from Proposition 98. None of these funds have been restored by the Brown administration or by the Schwarzenegger administration before it.

Moreover, while more than \$6 billion in so-called trigger cuts to public education would have been enacted should voters have not approved Proposition 30, charter schools would not have lost a dime in state funding. The state now has the highest number of charter schools in the nation, and charter school funding was one of the few areas that actually saw an increase as part of the state's 2012-2013 budget.

There are also already indications that schools across the state will be adopting new measures to cut back on programs and increase expenses for working class students and their families despite the bill's passage.

The California State University system has announced an increase in per unit fees for students who take classes in excess of what they need to graduate.

The Los Angeles Unified School District, despite the fact that it will rescind 10 unpaid teacher furlough days and restore the school year to a full 180 days, could lose up to \$60 million as a result of upcoming federal debt negotiations.

Moreover, the district, like others across the state, has already applied for funds under the Obama administration's Race to The Top, which will be awarded to the district that best implements programs to reduce job protections for teachers and further decimate the public education system.



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