The COMMUNITY COLLEGE UPDATE

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Voters Soften to Proposition 30 Extension

Voters may be inclined to extend Proposition 30, or at least a portion of it. At least, that's what the latest Policy Analysis for California Education (PACE)/University of Southern California (USC) Rossier Poll would suggest.

Released on August 27, 2015, the poll found that 29% of registered voters surveyed would support continuing both the income tax increases on high-income earners, as well as the one-quarter percent sales tax increase. Another 26% of voters supported extending the income tax increases, but letting the sales tax component of Proposition 30 expire. Only 8% of voters preferred keeping the sales tax increase over the income tax increase, while 28% of voters preferred letting both tax increases expire.

Respondents were on the fence when it came to amending Proposition 13 to require business properties, but not residential properties, to be reassessed annually at current market prices for purposes of taxation (often called a "split roll"). Half of the voters surveyed supported the idea of a split roll property tax, with 39% of voters opposed.

Any proposal to increase taxes would most likely have to be implemented through an initiative. Legislative measures that increase taxes still require support of a two-thirds majority for approval, and legislative Democrats lack the votes necessary to pass a tax increase.

—Dave Heckler

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Proposal to Extend Proposition 30 Submitted to the Attorney General

Voters may be given the opportunity to decide whether to extend Proposition 30, as an initiative was submitted to the Attorney General (AG) on Monday, September 14, 2015, for a ballot title and summary. This is the first step in the process to qualify an initiative for a statewide ballot.

Passed in 2012, Proposition 30 temporarily added a quarter-cent sales tax and increased taxes on high-income earners, with revenues from both provisions earmarked for education through the Education Protection Account (EPA).

Both revenue provisions are set to expire in the next few years, and there have been significant discussions on how and whether to extend the revenue portions of Proposition 30.

The new initiative's language would extend the additional taxes on high-income earners to 2030. Revenues generated by the income tax increases, estimated to be $7 billion to $9 billion annually, would be excluded from the Budget Stabilization Account and the Public Schools Stabilization Account.

The quarter-cent sales tax increase that is set to expire in 2016 would not be extended by the new proposal.

Voters are warming up to the possibility of extending the taxes in Proposition 30. A PACE-USC poll last month found that more than 60% of voters would support extending or making permanent the tax increases on high income earners (See "Voters Soften to Proposition 30 Extension" in the September 4, 2015, *Community College Update*).

The timeline to qualify the initiative could be tight. After the Legislative Analyst's Office prepares a fiscal analysis of the proposal (which can take up to 50 days), the AG will have 15 days to provide a title and summary. Proponents, including the California Teachers' Association, will then have up to 180 days to collect roughly 586,000 signatures from registered voters to have the initiative placed on the next statewide general election ballot.

—Dave Heckler

posted 09/15/2015