

Join CFPA in Supporting Proposition 30

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CFPA's mission is to improve the health and well-being of low-income Californians by increasing their access to nutritious, affordable food. Proposition 30 provides an opportunity to increase state revenues at a time when budget cuts have targeted safety net programs that are critical to low-income Californians. As a result of these cuts, many families in California are struggling to meet their basic needs.

During recent budget negotiations, CFPA strongly urged Governor Brown and members of the State Legislature to consider revenue solutions as part of the effort to close the budget shortfall. Proposition 30 would temporarily increase the state sales tax for all taxpayers and the personal income tax rate for upper-income taxpayers. The resulting revenue would be used to pay for programs funded by the state budget. Passage of Proposition 30 would also prevent deep "trigger cuts" to education funding. These cuts, which have already been incorporated into the state budget, are designed to take effect if voters reject Proposition 30.

What Happens If Proposition 30 Is Approved?

Sales Tax and Revenue

- Sales tax will increase by one-quarter cent per dollar for four years.
- Personal income tax rates will increase for upper-income taxpayers for seven years.
- California will raise approximately \$6 billion in additional annual state revenue from 2012-13 through 2016-17, with smaller amounts in 2011-12, 2017-18, and 2018-19.

State Spending

 Additional revenue will be available to help balance the state budget through 2018-19.

Local Government Programs

 Local governments are guaranteed to receive annual tax revenue to help fund program responsibilities that were transferred to them by the state in 2011.

What If Proposition 30 Is Not Approved?

State Spending

- The 2012-13 budget will be reduced by \$6 billion. This reduction in spending will primarily result from cuts to education – a \$5.4 billion cut to K-12 education and a \$500 million cut to public universities.
- State revenue will be lower through 2018-19.

Why Does CFPA Support Proposition 30?

Proposition 30

 Offers a reasonable short-term revenue solution to help close California's budget shortfall.

- Brings California closer to achieving a state budget that allows for a continued investment in nutrition and the overall well-being of Californians. A stable budget helps to advance new initiatives and proposals that will ultimately benefit California and its low-income residents.
- o Prevents deep cuts to education.
- Derives revenue from a combination of short-term sales tax increases for all and personal income tax increases for high-income earners, reducing the impact on low- to middle-income earners, who are more likely to have been negatively affected by the economic downturn and/or budget cuts.

What can you do?

- Learn more about Proposition 30
 - Legislative Analyst's Office analysis. <u>link</u>
 - o "Yes on Prop 30" website. link
- Vote "Yes" for Proposition 30 on November 6, 2012.
- Spread the word about Proposition 30 or volunteer to support the measure.

Questions? Contact Alexis Fernández at 510.433.1122 x111