

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

TAX TO FUND EDUCATION, PRESCHOOLS, AND CHILD CARE. INITIATIVE

STATUTE. Increases personal income tax rates for annual earnings over \$7,316 with a sliding scale that increases the tax rate from .4% for lowest individual earners to 2.2% for individuals earning over \$2.5 million. Tax increase ends after twelve years. Allocates new revenues 85% to K-12 schools and 15% to preschools and child care. Provides K-12 funds on school-specific, per-pupil basis, subject to local control. Requires local education budgeting to be school-specific. Requires oversight, audits, and public input. Prohibits state from directing or using new funds. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Increased state personal income tax revenues beginning in 2013 and ending in 2024. Estimates of the revenue increases vary from \$10 billion to \$11 billion per year initially, tending to increase over time. The revenues would be dedicated to K-12 education (85 percent of the funds) and early care and education programs (15 percent) and would supplement existing funding for these programs. In years with stronger growth in state personal income tax revenues, some of the revenues raised by this measure—several hundred million dollars per year—would be used to pay education debt service costs, resulting in state savings. (11-0088)**