

California State PTA

Legislation Team Study Committee Report

Initiative 1993 (25-0016) / (Extend prop 55) The California Children's Education and Health Care Protection Act of 2026 [PROVIDES PERMANENT FUNDING FOR SCHOOLS AND HEALTHCARE BY EXTENDING EXISTING TAX ON HIGH INCOMES. INITIATIVE CONSTITUTIONAL AMENDMENT](#)

February 2026 Status: Gathering Signatures

The proponent must collect signatures of 874,641 Californians registered to vote no later than May 4, 2026.

The California State PTA Director of Legislation has appointed Carol Kocivar, Heidi Brewington, and Candi Kern to a study committee to make recommendations on this issue.

The Attorney General of California Title and Summary

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

[PROVIDES PERMANENT FUNDING FOR SCHOOLS AND HEALTHCARE BY EXTENDING EXISTING TAX ON HIGH INCOMES. INITIATIVE CONSTITUTIONAL AMENDMENT.](#)

Makes permanent the existing 2012 voter-approved tax rates for high-income Californians, currently set to expire in 2031. Rates apply to personal income over about \$360,000 for single filers, \$721,000 for joint filers, and \$490,000 for heads of household (2024 levels; adjusted annually for inflation).

Allocates tax revenues 89% to K-12 schools, 11% to community colleges.

Allows local school boards to decide how revenues are spent; bars use for administrative costs. Increases General Fund revenues available for education, healthcare, budget reserves, and other programs.

Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Maintains \$5 billion to \$15 billion of annual state income taxes (in today's dollars) by making a tax on high income earners permanent instead of letting it expire in 2031. (25-0016.)

Fiscal Impact Estimate Report

Summary of estimate by [Legislative Analyst and Director of Finance of fiscal impact](#) on state and local governments:

PROPOSAL

This measure maintains the higher income tax rates established by Proposition 30 by making them permanent instead of letting them expire in 2031. Figure 1 shows what income tax rates would be if this measure passes and what they would be if it is rejected.

Figure 1

Personal Income Tax Rates Under This Proposal

Single Filer's Income	Joint Filers' Income	Now Through 2030	Marginal Tax Rate	
			After 2030, If This Proposal Is...	
			Approved	Rejected
\$0 to \$11k	\$0 to \$22k	1.0%	1.0%	1.0%
\$11k to \$25k	\$22k to \$51k	2.0	2.0	2.0
\$25k to \$40k	\$51k to \$80k	4.0	4.0	4.0
\$40k to \$56k	\$80k to \$112k	6.0	6.0	6.0
\$56k to \$71k	\$112k to \$141k	8.0	8.0	8.0
\$71k to \$361k	\$141k to \$721k	9.3	9.3	9.3
\$361k to \$433k	\$721k to \$866k	10.3	10.3	9.3
\$433k to \$721k	\$866k to \$1.4 million	11.3	11.3	9.3
Above \$721k	Above \$1.4 million	12.3	12.3	9.3

FISCAL EFFECTS

Measure Would Bring in Between \$5 Billion and \$15 Billion Each Year. The amount of money brought in by this measure is hard to predict and will go up and down with the economy.

This is because much of the revenue comes from taxing investment income and capital gains. These types of income are closely tied to the stock market and therefore go up and down a lot from year to year. In a weak year, the measure might bring in around \$5 billion in revenue. In a strong year, the measure might bring in \$15 billion in annual revenue. In most years, revenue brought in by the measure would be in between these amounts. These amounts are in today's dollars and would tend to grow over time.

A Large Portion of the Money Would Go to Schools and Community Colleges. The State Constitution requires the state to spend a large portion of new money on schools and community colleges. Typically, about 40 percent of the revenue brought in by this measure would go to schools and community colleges.

A Smaller Portion of the Money Would Go to Reserves. The State Constitution requires the state to set aside money to save in budget reserves. Reserves help the state balance its budget when the economy is weak and revenues decline. Some of the money brought in under this measure would be saved in reserves. This means the state would have more money in savings to balance the budget when the economy is weak.

Remaining Money Could Be Spent on Other State Programs. Money brought in under this measure that does not go to schools, community colleges, or reserves could be used for other state programs.

Summary of Fiscal Effects. We estimate the measure would have the following major fiscal Effects:

- Maintains \$5 billion to \$15 billion of annual state income taxes (in today's dollars) by making a tax on high income earners permanent instead of letting it expire in 2031

BACKGROUND

The Great Recession of 2008 created dire fiscal circumstances for schools and other state services. In 2012, California voters passed Proposition 30, a tax increase on the top 2% of earners in the state, to fund critical state services and stave off extreme cuts to public education. Since this was intended to be only a temporary measure, voters considered the issue again in 2016, supporting Proposition 55, by 63%. This extended the tax rates until 2030.

The revenues generated from passage of these propositions have become a fundamental component of the state's budget and its Rainy Day Fund. Since implementation, this has generated over \$104 billion, directly supporting schools and other vital state services.

Prior to the implementation of this tax on high earners, California had the dubious distinction of ranking in the bottom 10 states with regard to school spending.

Due in large part to these revenues, California has expanded investments in public education. Free school meals, transitional kindergarten, access to care outside of school hours, and many other community services can be attributed to these tax revenues.

Without voter intervention, this tax on our state's highest earners will expire in 2030. According to the Legislative Analyst's Office, this measure would maintain \$5 billion to \$15 billion of annual state income taxes by making a tax on high income earners permanent. To lose that revenue would reverse the gains our schools have made since the initial passage of the high-earner income tax in 2012.

This measure does not change the existing tax rates, which have been the same since enacted in 2012, after passage of Proposition 30 and extended by Proposition 55 in 2016.

In short, this measure would make permanent taxes that have been in place on a temporary basis since 2012.

CALIFORNIA STATE PTA AUTHORITIES

Financing California's Public Schools (2007)

Adopted by Convention Delegates May 2007

RESOLVED, That the California State PTA and its units, councils and districts work to educate public policy makers, PTA members, community members, and the media about the shared responsibility in the continuing need for the necessary resources and funding for California's public school programs and facilities; and be it further

RESOLVED, That the California State PTA and its units, councils and districts advocate for adequate funding for every student; and be it further

RESOLVED, That the California State PTA and its units, councils and districts support the ongoing efforts to explore new models of public school funding to ensure a quality education for every student; and be it further

RESOLVED, That the California State PTA and its units, councils and districts continue to make financing our public schools, both programs and facilities, a top priority in order to ensure a quality education for every student.

Post Proposition 13 Funding of Public Education (1979)

Adopted by Convention Delegates May 11, 1979

Reviewed by Board of Managers April 2022

RESOLVED, That the California State PTA urge the Legislature and the Governor to enact an ongoing method of financing public schools such that the sources will be dependable, long-range, and adequate to provide optimum educational opportunity for all elementary and secondary students, with allowance for inflation and a mechanism for funding state, federal and court mandates; be it
Further

RESOLVED, That the process for allocating funds to school districts take into account the differential costs of the special needs of both students and districts; and be it further

RESOLVED, That local boards of education be given maximum decision-making authority in the deployment of funds and personnel to fulfill the educational needs of the students they serve.

School Funding (1981)

Adopted by Convention Delegates May 7, 1981

Reviewed by Board of Managers March 2012

RESOLVED, That the California State PTA seek and support legislation which shall require the state Legislature to appropriate funds for educational needs prior to the budgetary decision-making deadlines of local school districts; and be it further

RESOLVED, That the California State PTA seek and support legislation which shall be designed to enable school districts to plan priorities for spending and programming on more than a year-to-year basis; and be it further

RESOLVED, That the California State PTA urge its units, councils and districts to study, support and encourage the education of the parents, teachers and community regarding the financing of their school districts.

State Tax Reform (1991)

Adopted by Convention Delegates May 1991
Reviewed by Board of Managers August 2023

RESOLVED, That notwithstanding prior opposition to the use of the sales tax to fund needed public services, the California State PTA be authorized to support use of the sales tax as part of a comprehensive state tax structure; and be it further

RESOLVED, That the California State PTA vigorously seek and support legislation and/or necessary ballot measures to fundamentally restructure the state tax system to ensure a broadly based, equitable system of taxation that generates adequate revenues to fund education and all other services needed by the children, youth and families of California.

Support of Public Education, PTA Priority (1980)

Adopted by Convention Delegates May 7, 1980

RESOLVED, That the California State PTA focus its resources on obtaining adequate financing for public education; and be it further

RESOLVED, That the California State PTA, its units, councils and districts, affirm as a top priority its commitment to the preservation, maintenance and strengthening of our public school system, as pledged by the National PTA; and be it further

RESOLVED, That the California State PTA develop and implement a plan of action to enable its membership to identify the problems affecting our schools; offer positive and practical solutions to correct those problems; develop public understanding of those problems; and creatively and effectively tell the story of public education.

CALIFORNIA K-12 PUBLIC SCHOOL FUNDING CRISIS (1998)

Adopted by Convention Delegates May 6, 1998
Reviewed and deemed relevant April 2018

RESOLVED, That the California State PTA urge its units, councils and districts to mobilize local public officials and community members to encourage state senators, state assembly members and the Governor to increase funding for basic education in California K-12 public schools to no less than the national average.

PROPOSERS & OPPOSITION

Because the initiative is in circulation, following is a partial list of organizations and individuals in support / opposition to this initiative. At this point in time, we show:

Arguments for Prop 55:

- **Prevent Massive Budget Cuts:** Failing to extend the measure will result in a 15% cut to public school funding by 2030.
- **Wealthy Pay their “fair share”:** Proponents emphasize that the tax only affects the top 2% of earners (couples earning over \$700K) and does not increase taxes for most Californians.
- **Accountability:** Proponents emphasize that the revenue is deposited into the Education Protection Account, which proponents argue has strict transparency requirements.
- Prop. 55 generated over \$14.6 Billion for California public schools and community colleges in fiscal year 2024-2025

“Our educational solvency is on the line with the Proposition 55 extension... the renewal of Prop. 55 is the lifeline for public education.” ~Sandra Rivera, President of Alum Rock Educators Association (AREA)

[Prop. 55: Organizing to Win Critical Funding Fight for Public Schools](#)

Source: [California Teachers Association Extend Proposition 55](#)

[List of supporters for Prop. 55 2016](#)

Proponents

Alum Rock Educators Association (AREA)

California Teachers Association (CTA)

California Federation of Teachers (CFT)

California Hospital Association

Children’s Defense Fund-California

Gavin Newsome, Governor

Tony Thurmond, State Superintendent of Public Instruction

Alexis Weiner & Trina Gonzales-Alesi (Local union leaders for Burbank and Desert Sands Teachers Associations)

Karen Getman
Benjamin Gevercer
David B. Goldberg
Olson Remcho, LLP

Arguments against Prop 55 made in 2016. Anticipated for 2026: Source [Ballotpedia](#)

- **The “Broken Promise” of Temporary Taxes:** A major point of contention is that these taxes were originally pitched as “temporary” emergency measures (first in 2012, and again in 2016). Opponents argue that making them permanent violates a commitment made to voters that the surcharge would sunset once the state budget stabilized.
- **“No New Taxes” Principle:** A common argument against tax increases, even on high earners, is that it stifles economic growth and burdens successful individuals.
- **Driving Away Residents and Businesses:** Critics contend that high income taxes incentivize wealthy individuals and businesses to relocate to states with lower tax burdens. This “tax flight” could ultimately shrink the state’s tax base and harm long-term economic growth.
- **Volatile “roller-Coaster” Budgeting:** Opponents argue that relying heavily on the top 1% of earners creates extreme revenue volatility. Because high earners’ income often comes from capital gains, state revenue surges during stock market booms but “crashes” during downturns, leading to unpredictable funding for schools and healthcare.

Opponents

List of opponents not complete. Based on opponents in 2016, it can be anticipated that the following will be opposed to Proposition 55:

Jon Coupal, President, Howard Jarvis Taxpayers Association
California Taxpayers Association
CalChamber
Los Angeles Daily News
Los Angeles Times
San Diego Union Tribune
East Bay Times
San Francisco Chronicle

“In 2012, when voters approved increasing income taxes on the wealthy and the state sales tax, they were promised the levies would end by 2018. Proposition 55 on the November ballot breaks that promise. It would extend the income tax portion, not just for another six years but for 12. Voters should reject it.” ~East Bay Times, July 28, 2016

“...California will not be able to tax its way to prosperity, and imposing more taxes, particularly on those most capable of making investments here (and most capable of leaving or shifting their investments to more business-friendly states) will only reduce job opportunities and suppress economic growth.” ~Los Angeles Daily News, October 10, 2016

PTA ANALYSIS

California State PTA has a long record of advocating for funding to support California public schools. In 2016, PTA endorsed proposition 55 to extend these taxes through 2030.

As the chart below shows, since the first enactment of this tax, California has been able to increase funding for education, moving from near the bottom in state funding in the nation to being just about average.

Proposition 98 funding by year (TK-14)

Governor's proposed 2026-27 budget, January 2026
State and local funds for TK-12 public schools and community colleges, in \$Billions.
Some figures are **estimated** or **proposed**. Adjusted for inflation.

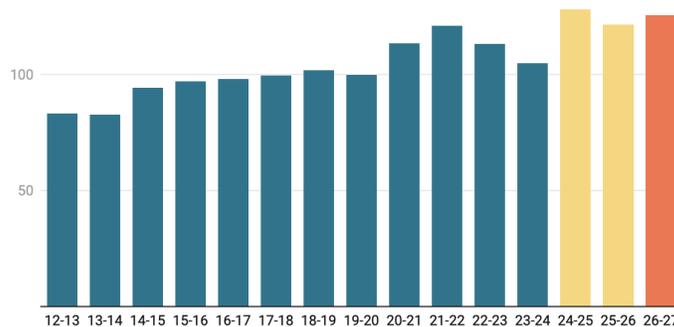


Chart: Fd100 • Source: Governor's budget • Get the data • Embed • Download image • Created with Datawrapper

Key investments include:

- Pre-K for All

- Community Schools
- Universal School Meals
- Educator Preparation and Support
- Improved Services for Students with Disabilities
- School-Based Behavioral Health Services
- Improving Literacy for All Students
- K-2nd students screened for risk of reading difficulties.

Source: [2026-27 GB Budget Summary](#)

Even at average funding, school districts throughout the state are struggling to meet the needs of students. This is due to a variety of reasons, including chronic absences, the high costs of special education and health benefits, and a high cost of living in California. Loss of an estimated \$5 billion to \$15 billion in revenue annually would be devastating to our students and our educators.

Making this tax permanent, rather than temporary, reflects the on-going needs of our schools.

RECOMMENDATIONS

1. California State PTA support "The California Children's Education and Health Care Protection Act of 2026".
2. California State PTA actively campaign in support of this initiative on the November 2026 ballot.