



California Federation of Teachers
American Federation of Teachers, AFL-CIO

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Educators Oppose School Cuts, Call for New Revenues

SACRAMENTO - The California Federation of Teachers (CFT) today criticized the cuts made to current-year schools and vital public services funding, and proposed new progressive tax revenues be enacted in the face of additional proposed cuts to next school year's budget. "CFT opposes the cuts, especially in light of the Republican legislators' insistence on keeping the tax loophole for yacht owners. We will continue to fight against any move to suspend Proposition 98's minimum funding guarantee. We believe that before cuts are considered, increased revenue sources need to be implemented," said CFT President Marty Hittelman. Educators will pursue new progressive taxes to fund education programs.

"School kids did not cause this crisis. Cutting public education in the middle of the school year is going to be disruptive, and devastating in some communities. We won't allow school kids to be penalized so SUV drivers and yacht owners can get tax breaks," said Hittelman.

The educators released a list of progressive tax increases that could fund education and other key programs. "The governor and Republican legislators' position that there should be no new taxes is not tenable in a time of declining state revenue. The people of California rely on their schools and other vital public services," said Hittelman. "Progressive tax policies that ask the people who have benefited the most from living in California to pay their fair share is the only reasonable alternative to program cuts."

There are numerous potential funding sources that can lift California from near the bottom of the states in providing school funding. The revenue options below would raise an estimated \$8.4 billion per year:

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- Reinstated the vehicle license fee (\$4 billion per year)
- Re-assess non-residential real property (\$3 billion per year)
- Limit mortgage interest deductions to \$50,000 in interest (\$47 million per year)
- Require that large corporations file as corporations, not “S” type partnerships (\$500 to 600 million per year)
- Enact severance tax on oil produced in California (\$800 million per year)
- Close tax loophole for luxury boats and planes exchanged in Mexico (\$55 million)
- Extend sales tax to Internet purchases (\$20 million)

For more information about CFT’s policy proposals, please visit www.cft.org

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