

Proposition 15, also known as the Schools and Communities First initiative, is an effort to close the existing tax loophole left open by 1978's infamous, yet heavily defended, Proposition 13. When California's voters passed Proposition 13 it provided much needed relief to overburdened residential property owners, yet created a terrible burden for California's schools.

Proposition 15 and Why FACCC Supports Closing the Proposition 13 (1978) Loophole

In addition to protecting residences, Proposition 13 also protected commercial and industrial properties by creating a loophole exploited by large corporations to avoid paying their fair share of property taxes. Some companies and wealthy commercial property owners have been paying the same property tax amount since the late 1970's when Prop 13 initially passed despite value increasing significantly.

Proposition 15 would close that loophole by requiring owners of non-agricultural commercial and industrial property to pay property taxes based on current market value. Proposition 15 would apply only to commercial and industrial property owners who own more than \$3 million combined worth of non-agricultural commercial and industrial property. The revenue generated from this initiative would provide much needed and long overdue funding increases for community colleges.

The Impacts of Proposition 13

By Bob Stockwell

Passed in 1978, Proposition 13 was packaged and sold as a means to protect homeowners from ever-increasing property taxes. The popular slogan of the time was, “Keep grandma in her home.” What most Californians did not and still don’t know is Proposition 13 also applied to commercial and industrial properties, locking in 1970s property rates for some of the wealthiest companies on the planet, including Disney, IBM, and Chevron.

While Proposition 13 was heralded as a great victory for anti-tax activists, setting the stage for the “Reagan Revolution” and the great neoliberal push (tax cuts for the wealthy and corporations based on “trickle-down” economic theory and reduced social program spending), it had devastating effects on California. By shielding businesses from their fair share of taxes to support state government expenses – 38 percent of California businesses benefit from Proposition 13 and pay property tax rates from the 1970s – the state deprived itself of much-needed revenues. This has forced California to become increasingly reliant on other taxes, like income taxes, which are more volatile, as well as sales taxes, which are more regressive.

The decline in commercial property tax revenues has been particularly hard on education spending. California went from one of the highest per-pupil expenditure states to one of the lowest per-pupil expenditure states in the country as a result of Proposition 13. I witnessed this shift as a third-grader in Long Beach in the mid-1970s when California went from proudly having the best schools in the country to now: A state struggling to support education spending at every level. The costs of higher education have now shifted to individual households through increasing fees and tuition exacerbating social, economic, and racial inequalities.

Positive effects of Proposition 15

Passing Proposition 15 will have numerous positive impacts on California. It is estimated that by requiring the 38 percent of California businesses paying 1970s property tax rates to pay their fair share of taxes, California will net approximately \$12 billion per year.

That is a lot of money, even in California. Think for a moment what this might mean for education spending. Imagine the California Community College system having additional hundreds of millions of dollars every year. Think what this could mean for your community college. In my district, this would go a long way to address our deficit. It would support all of our efforts to advance the mission of community colleges as open-access institutions committed to providing high-quality education to all.

Myth busting with emphasis on split-roll, CPTR

Businesses benefiting from this unfair advantage are spending a lot of money to defeat Proposition 15. They do not want to pay their fair share. They want to continue to benefit from the tax subsidies offered by Proposition 13. They will misrepresent the impacts of Proposition 15. They will not admit that Proposition 15 is fundamentally about commercial and industrial property tax reform and that it does not apply to residential properties. They will slander Proposition 15 as an effort to raise taxes on everyone, including residential property owners. They will hide the fact that Proposition 15 is purposely designed as a “split-roll” tax initiative aimed at preserving residential protections and raising property taxes only on big businesses (valued at \$3 million and above, excluding commercial agriculture). We can reliably predict they will spread the false claim that Proposition 15 will “kick grandma out of her home.”

We know the opponents of Proposition 15 will do everything in their power to defeat this initiative. They will spend millions of dollars to defend their tax subsidies. So, the question becomes, what are we going to do to ensure that Proposition 15 passes? We all need to register and vote Yes on 15. We all need to make sure that our family and friends vote to support Proposition 15. We need to ensure that all members of FACCC vote to support Proposition 15.

We also need to engage the general public and policy makers through letters to the editor, email, and social media platforms. We need to take part in the campaign. Go to <https://www.yes15.org/> to get involved with the phone banking, text-messaging, and other social media aspects of the campaign. We

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need to do whatever we can to make this campaign a success. We literally have billions of reasons to do so. Let’s get to work!

The Value of Proposition 15

By Masahiro Omae

This November, California voters will decide the future trajectory of our schools and communities. Although this is not the panacea to solve the many challenges facing California Community Colleges, it will help address the financial challenges that have had deleterious effects on the quality of higher education in our state.

Even before the onset of the COVID-19 pandemic, the California Community Colleges were in crisis. The vast majority of campuses depend on “soft money” to fund many projects and services critical to student success. As a result of the COVID-19 related financial challenges exacerbating our catastrophic financial situation, some districts and campuses are reaching the point where they may not even be able to cover the basic operating costs of the institution.

While many public educational institutions, including community colleges, are facing serious financial challenges as a result of the current pandemic, many corporate entities are growing significantly, even in this time of crisis. Proposition 15 is asking that companies to pitch in their fair share of property taxes based on the current fair-market value of the property,

which most individual homeowners and most businesses do. Instead of passing along an increasing cost of community colleges to our students, it is our government’s responsibility to secure a more sustainable funding mechanism through which the financial impact is felt least by our students.

In 1996, the cost for community college was \$12 per unit for residents, while the state minimum wage was \$4.75 per hour. The cost of community college has nearly quadrupled at \$46 per unit, but at \$12 to \$13 per hour, minimum wage still has not caught up.

Students attending community colleges, the least expensive and most accessible institutions in higher education, are asked to bear the increasing costs of education while employers benefit from much slower increases in costs of labor and property taxes. We are at a critical juncture to examine and change this situation.

If California is serious about transforming our higher education so that we can simultaneously achieve access and success as evaluated based on the individual goal and need of our students, it must commit itself to support faculty-led innovations both legislatively and financially. It is clear any innovative practices cannot grow out of the current funding environment.

Many feel we are not ready to entertain innovative practices because we do not have sufficient full-time faculty members to offer the college experience and education our students deserve.

One of the most impactful things California could do is supply districts and campuses with sufficient funding to hire additional full-time faculty before considering any additional initiatives that address student success. Give us the resources to comply with Section 70 of AB 1725 (1988) stating, “... because the quality, quantity, and composition of full-time faculty have the most immediate and direct impact on the quality of instruction, overall reform cannot succeed without sufficient members of full-time faculty with sufficient opportunities for continued staff development, and with sufficient opportunity for participation in institutional governance.”

Proposition 15 is estimated to bring in \$7.5 billion to \$12 billion, providing significant funding to our institutions and enabling them to provide the full-time faculty and resources students need most.

PROP 15 INCREASES FUNDING SOURCES FOR PUBLIC SCHOOLS, COMMUNITY COLLEGES, AND LOCAL GOVERNMENT SERVICES BY CHANGING TAX ASSESSMENT OF COMMERCIAL AND INDUSTRIAL PROPERTY. INITIATIVE CONSTITUTIONAL AMENDMENT.

SUMMARY *Put on the Ballot by Petition Signatures*

Taxes such properties based on current market value, instead of purchase price. Fiscal Impact: Increased property taxes on commercial properties worth more than \$3 million providing \$6.5 billion to \$11.5 billion in new funding to local governments and schools.

WHAT YOUR VOTE MEANS

<p>YES A YES vote on this measure means: Property taxes on most commercial properties worth more than \$3 million would go up in order to provide new funding to local governments and schools.</p>	<p>NO A NO vote on this measure means: Property taxes on commercial properties would stay the same. Local governments and schools would not get new funding.</p>
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Put Your FACCTivism to Action Now!

By Oranit Limmaneeprasert

As this unprecedented COVID-19 summer ends and we delve deep into the fall, let us pay close attention to a few real-life stories of some of the more than 40,000 part-time faculty members in California impacted by the state budget shortfall of \$54.3 billion.

A few weeks ago, several part-time faculty members informed me they received no teaching assignments and are consequently facing a financial crisis while losing health insurance for themselves and their families. These faculty members had faithfully taught at community colleges for 25 years. Others had their fully enrolled fall classes shifted away from them.

On a separate occasion, a part-time faculty member told me he could not bear seeing his part-time colleagues homeless and wanted to donate \$3,000 of his savings to start a relief fund for part-time faculty. This shows the ugly truths many part-time faculty members face and how part-time faculty try to help their colleagues even through incredible financial hardships.

As FACCC members who proudly stand alongside our part-time colleagues suffering unemployment, loss of health insurance, food insecurity, and homelessness, we must take action now to ensure that Proposition 15 passes on November 3rd. We must do the following:

1. Spread the Facts:

We need to talk to our colleagues, families, friends, neighbors, students, and our communities about what Proposition 15 really is.

- ▶ Civil rights leader Dolores Huerta explains Proposition 15 “is designed specifically to help address inequities that poorer school districts face, which have significant implications for communities of color. Every single student in California will benefit from this measure, but particular importance is paid to underserved communities — additional funding will go toward low-income students, English-learners and foster youth.”
- ▶ Proposition 15 is estimated to generate \$6.5 – \$11.5 billion per year in revenue.
- ▶ Forty percent of the revenue would go to community colleges, K-12 schools, and county education offices.

- ▶ Schools and colleges would receive an annual minimum of \$100 (adjusted each year) per full-time student.
- ▶ Proposition 15 was placed on the ballot by 1.75 million Californians from diverse backgrounds and supported by community leaders and the following voter groups:
 - » Teachers and parents who know education urgently needs funding.
 - » Small-business owners who need tax relief.
 - » Homeowners and renters tired of paying more taxes than wealthy corporations do.
 - » Local government leaders dealing with budgets that have been devastated by COVID who believe that wealthy corporations need to pay their fair share.

2. Join Proposition 15 Campaigns:

Embrace your FACCTIVISM by:

- ▶ Forwarding Proposition 15 campaign emails to faculty on your campuses, members of your unions and church groups, and everyone else you know.
- ▶ Posting Proposition 15 campaign messages on your Facebook page, Twitter, and other social media platforms.
 - » Volunteer to phone bank for Proposition 15 at <https://www.mobilize.us/schoolsandcommunitiesfirst/event/279105/> and <https://www.yes15.org/find-an-event-near-you>
- ▶ Pledge to get at least 20 "yes" votes.
- ▶ Donate to the FACCC Political Action Committee.

3. Vote:

Check your voter registration status today at <https://voterstatus.sos.ca.gov/>. If you have not registered to vote, do so now at <https://www.sos.ca.gov/elections/voter-registration/>. Remember, the state of California is sending out ballots to every registered voter. Fill out your ballot and submit it early to avoid post office issues.

With the severe budget shortfall caused by the COVID-19 recession in California, we must join our FACCC sisters and brothers to protect our underserved students so that they can access the necessary education they need to reach their full potential. We must also protect jobs for our part-time colleagues so that they can take care of themselves and their families while doing what they love: serve our students. Let's do everything we can to get Proposition 15 passed.