



**FOR IMMEDIATE RELEASE: OCTOBER 14, 2005**  
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## **WHY PROPOSITION 76 PROVIDES SCHOOLS WITH MORE MONEY NEXT YEAR**

1. Proposition 76 repeals Test 3 of the existing school funding formulae.
2. If Proposition 76 fails, schools will be funded under Test 3 of current Proposition 98 (because the per capita percentage increase in state revenue next year will be lower than the percentage increase in personal income). Test 3 is based on growth in government revenues and is used when it is *lower* than Test 2. When Test 3 is in effect, any “maintenance factor” does not have to be paid.
3. If Proposition 76 passes, schools will be funded under Test 2 (based on inflation), which is higher than Test 3 (as Test 3 would be repealed). Plus, schools will get one-fifteenth of the existing maintenance factor (which would be approximately \$254 million) in addition to the Test 2 amount.