

About the City of Olympia's Initiative No. 1

This ballot measure will appear on the same ballot as all other races in the November 8, 2016 General Election.

This supplemental voters' pamphlet contains information about the City of Olympia's Initiative No. 1. This pamphlet is separate from the Secretary of State's voters' pamphlet because the ballot title for this initiative was received after the state's printing deadline.

For more information about Initiative No. 1, contact the City of Olympia:

(360) 753-8325

Only voters residing in the city limits of Olympia may vote on this measure.

City of Olympia Initiative No. 1

Ballot Title:

Initiative Measure No. 1 concerns establishing and funding a college grant program.

This measure would establish a City of Olympia college grant program. City residents who graduate from public high school or receive a GED could receive grants for at least one year of community college tuition, or an equivalent sum to attend public colleges and universities in Washington. Grants would be funded by a 1.5% tax on household income above \$200,000, and also may be privately funded. Administrative expenses would be capped at 5%.

Should this measure be enacted into law?

- Yes
 No

Explanatory Statement:

Initiative Measure No. 1 concerns establishing and funding a college grant program. This Measure would establish an annual tax after January 1, 2017 of 1.5% on household income above \$200,000. The tax proceeds, together with private grants, gifts or bequests, are placed in a separate program fund administered by the City. A City program advisory committee is created composed of the Mayor Pro Tem and four mayoral appointees. Only 5% may be used for administrative expenses. Program funds are available to City residents who have graduated from public high school or received a GED, for all or part of the average cost of at least one year of community college tuition, or an equivalent sum to attend State public universities, community or technical colleges.

Household income means adjusted gross income exceeding \$200,000 under the federal internal revenue code. A resident taxpayer includes City residents; others living in the City more than 120 days in each tax year; and, those claiming the City as home for federal tax purposes.



Turn over for more information about the
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For information about the November 8, 2016 General Election, contact Thurston County Elections:



(360) 786-5408
elections@co.thurston.wa.us
ThurstonVotes.org



#BeReadyThurston

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City of Olympia Initiative No. 1

Statement For:

Vote yes on Initiative No.1 Opportunity for Olympia!

A college education creates opportunity. It prepares young people for careers – and through a *better-educated workforce* it attracts businesses and good-paying jobs. Yet higher education has become increasingly out of reach for too many of Olympia’s high school graduates as *public college tuition has doubled*, and in some cases even tripled, since 1990. We can fix this problem.

The Opportunity for Olympia community grant program would give every young person in Olympia access to affordable higher education by funding at least 1 year of *public community, technical or 4-year college* in Washington for *Olympia’s high school graduates and GED earners*. It’s paid for by establishing a 1.5% tax based on the portion of household income in excess of \$200,000 – raising an estimated \$2 million for the grant fund from *the wealthiest 3% of Olympia households*. Initiative No.1 includes safeguards: only 5% of the fund can be used for administrative costs, and the city auditor is required to conduct annual audits to make sure the fund is used properly.

Signed by more than 4,700 Olympia voters, Initiative No.1 is endorsed by progressive elected leaders, *education organizations*, and small businesses including: *State Representative Sam Hunt*, State Insurance Commissioner Mike Kreidler, social justice attorney Leslie Owen, Reeves Middle School PTA, New Traditions, Olympia Education Association, Washington Education Association – Chinook, United Faculty of Evergreen, South Puget Sound Community College Student Council, Washington Federation of State Employees Council 28, and many more. *Vote yes!*

Statement prepared by: Sam Hunt, Mike Kreidler and Leslie Owen. Opportunity for Olympia; OpportunityForOlympia.org; info@opportunityforolympia.com.

Rebuttal of Statement For:

This initiative claims to expand opportunity for higher education, but it gives money to all students, not just those who need help. It is a Trojan horse to make Olympia bear the cost of a court test of whether today’s state Supreme Court will override previous decisions declaring an income tax unconstitutional. Even if this tax were legal, the city’s costs to create a tax collection department would exceed the 5% limit of initiative proceeds.

Statement Against:

The Seattle-based Economic Opportunity Institute and local advocates propose a 1.5 percent tax on Olympia households with incomes over \$200,000 to fund the equivalent of one year of community college tuition for City of Olympia public high school graduates and GED earners who attend a public college in Washington State.

The Washington Supreme Court has twice ruled that graduated income taxes are unconstitutional. This initiative is using the City of Olympia to test whether our current Court would rule differently. In the unlikely event that happened, the initiative couldn’t be implemented unless the legislature also repealed a state law specifically forbidding cities from levying income taxes.

If the initiative passes, the City of Olympia will be obligated to defend it’s legality in the courts. This will require spending significant funds to hire lawyers specializing in constitutional law. This will divert funding from vital city services such as public safety, parks, road repair, and downtown revitalization. Even if the court upholds the initiative, the IRS legally can’t share taxpayer information with cities, so there will be no way to know which households have annual incomes over \$200,000. Thus, all Olympia households will be required to submit their tax returns. This is just one of many flaws not addressed in the initiative.

Tax reform and funding for higher education are important issues that should be addressed. This is not the way to do it. The state legislature - not the City of Olympia - should solve these issues.

Statement prepared by: Cheryl Selby, Gerry Alexander and Whitney Bowerman. Olympians for Responsible Tax Reform; olympians4responsibletaxreform.org; info@olympians4responsibletaxreform.org.

Rebuttal of Statement Against:

Everyone agrees a quality higher education is becoming out of reach for regular Washingtonians—yet gridlock in the state legislature has made a state fix impossible. Initiative 1 pays for one year of community or technical college for Olympia high school graduates. It’s funded by a progressive tax on the wealthiest 3%, not through more taxes on working families and small businesses. Endorsed by: Thurston County Democrats, small businesses, more. Vote Yes on Initiative 1.

Statements printed are the opinions of the authors and have not been checked for factual or grammatical accuracy by the Auditor’s Office.



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