



**Proposition 1D
May 2009 Ballot**

Title: Children's Services Funding

Sponsor: Assemblywoman Noreen Evans

Legislative History: **AB X3 17** (Evans) was approved by the Assembly on a 75-3 vote, and by the Senate on a 37-0 vote, both on February 19.

Major Provisions:

Proposition 1D redirects Proposition 10 Pre-School Program funding of \$608 million in 2009-10 and \$268 million in the next four fiscal years to the General Fund to support health and human services programs provided by the state to children.

Background:

In 1998, voters approved Proposition 10 (the Reiner initiative), which increased the cigarette tax 50 cents per pack to fund early childhood programs. Republicans have charged that the First Five Commissions have substantial surpluses, and that some of this money should be used to balance the budget.

Policy Considerations:

These funds are sequestered by ballot-box budgeting, which is not a good idea in the first place. Is it appropriate to use some of these funds to balance the budget? Will this lead to another tax initiative to replenish these funds?

Cal-Tax Recommendation:

Support. This helps balance the budget, using surpluses that are sitting idle.

Ballot Title:

CHILDREN'S SERVICES FUNDING. Temporarily provides greater flexibility in funding to preserve health and human services for young children while helping balance the state budget in a difficult economy.

Ballot Summary:

PROTECTS CHILDREN'S SERVICES FUNDING. HELPS BALANCE STATE BUDGET. Provides more than \$600 million to protect children's programs in difficult economic times. Redirects existing tobacco tax money to protect health and human services for children with disabilities, and services for foster children. Temporarily allows the

redirection of existing money to fund health and human service programs for children 5 years old and under. Ensures counties retain funding for local priorities. Helps balance state budget.