

NO on Proposition 1D

Diverting Children's Services Funding

- Proposition 1D is a stopgap proposal. It will not address the problems underlying California's state budget crisis. It could require major cuts in First 5 early childhood development programs over the next five years, without providing significant relief from our long-term fiscal problems.
- Prop. 1D is part of a budget package that was negotiated behind closed doors without input or scrutiny by the public or even most legislators.
- Proponents of Prop. 1D would like to give the impression that this diversion of funds makes more money available for children's services, but in reality it would raid certain services to pay for others.
- Because tobacco consumption is declining, the impact of diverting tobacco tax funds from First 5 programs will increase over time. The California Budget Project estimates that by 2013-14, approximately 68 percent of First 5 annual revenues will be shifted to the General Fund.
- First 5 health and education programs for young children provide prevention and early intervention services that can eliminate long-term, costly problems and produce savings for state and local governments.
- Prop. 1D would make permanent changes in the First 5 program that are unrelated to attempts to address the budget crisis. For example, it requires a "base level of funding" of at least \$400,000 for every county First 5 commission, without regard to the actual number of young children in the county. The measure also makes county commission funds available for borrowing for other county uses.
- Prop. 1D would permanently limit the use of First 5 funds for health care and early education to "direct services." This could eliminate funding for important functions such as training preschool teachers and child care providers, recruiting and training pediatric dentists and other medical specialists, developing and renovating facilities, program evaluation and improvement, and leveraging federal funds for planning and administration.
- A cutback in First 5 funds could result in the loss of early child care and education jobs.
- A reduction in First 5 programs could result in increased demand for other health and human services, especially during this recession, and it may be difficult for county and city agencies and school districts that are facing their own budget cuts to respond.
- First 5 was established by an initiative that "did the right thing" in the eyes of many by providing a source of funding, while many other programs created by initiative have not. In a sense, it is being punished for having its own funding source, which is now targeted by Proposition 1D.