



## **First 5 LA and Proposition 1D**

### ***Frequently Asked Questions***

Various propositions pertaining to California's budget have been placed on the May 19, 2009 ballot for voters to decide. Proposition 1D will reduce First 5 funding for young children and their families in local communities.

#### **1. WHAT IS FIRST 5?**

- The First 5 California Commission and 58 county First 5 commissions were formed when California voters passed Proposition 10 in 1998. Proposition 10 added a 50-cent tax on tobacco products to fund services for pregnant women, families, and children during the first five years of life.
- Proposition 10, the initiative that created First 5 in 1998, is based on research that shows the first five years of a child's life are most critical to his or her development. Funds received by the tobacco tax are distributed by the First Five California Commission for statewide programs and by county First 5 commissions to support local priorities for young children. Local priority programs include maternal health and other health access services, day care, preschool and other early learning opportunities, as well as child abuse prevention and other safety programs.

#### **2. WHAT IS PROPOSITION 1D?**

Proposition 1D is a ballot initiative that changes how Proposition 10 tobacco tax revenues are allocated to and administered by First 5 California, First 5 LA, and 57 other county First 5 commissions across California. Prop 1D diverts into the State's General Fund First 5 California fund balances of up to \$340 million. In addition, Prop 1D reduces funding to county commissions for five years by \$268 million annually – diverting a majority of the commissions' revenue to the State's General Fund to be appropriated by the State Legislature in the annual budget process.

#### **3. WHEN IS THE ELECTION TO VOTE ON PROPOSITION 1D?**

The election is on May 19, 2009.

**4. WHY DOES THIS PROPOSAL HAVE TO GO TO THE BALLOT?**

Amendments or changes to voter-approved initiatives, such as the Prop 10 law that created First 5 commissions, require a vote by the electorate. This is the second time voters have been asked to modify Prop 10 after its passage in 1998. In 2000, voters rejected a move to repeal Prop 10.

**5. ARE THERE OTHER PROPOSTIONS ON THE MAY 19, 2009 BALLOT?**

Yes, you can go to the California Secretary of State's Web site to gather more information at [www.sos.ca.gov](http://www.sos.ca.gov). Arguments and rebuttals pertaining to Prop 1D and other ballot measures are on the Web site.

**6. WHAT ARE THE MOST LIKELY OUTCOMES IF PROP 1D PASSES?**

- Local children's health and education services throughout California may be cut or reduced, which will impact the safety net for families during this economic crisis.
- Local leaders may be unable to respond quickly or effectively to pressing, unmet health and education needs of young children in their own communities.

**7. WHAT WILL HAPPEN IF PROP 1D DOES NOT PASS?**

The fiscal year 2009-10 State budget will have \$608 million less in revenue that will need to be addressed.

**8. WHAT IMPACTS WILL PROP 1D HAVE ON FIRST 5 LA-FUNDED PROGRAMS?**

- First 5 LA Commissioners make funding decisions based upon existing economic conditions, local needs, and anticipated Prop 10 yearly revenue streams. If Prop 1D passes, funding for some programs and initiatives in future years may be significantly reduced or eliminated because First 5 LA's revenue stream will be reduced by more than 60 percent.
- First 5 LA anticipates receiving between \$113 million to \$120 million in the fiscal year ending June 30, 2009. If Prop 1D passes, First 5 LA estimates it will receive \$47.2 million in FY 09-10, a reduction of 61 percent. By fiscal year 13-14, First 5 LA estimates a 67 percent funding reduction. As a result, First 5 LA's Commission may have to change its funding strategies and serve significantly fewer children and families.

- Matching fund programs, including First 5 LA’s School Readiness Initiative programs, as well as Power of Preschool funding, may be impacted if First 5 California’s funding reserve balance of no less than \$275 million and up to \$340 million is eliminated as called for by Prop 1D.
- Funds may be restricted to only “direct” service programs
  - Funding restrictions may eliminate funds for capacity building, system integration initiatives, and research and evaluation activities that validate program effectiveness.

**9. HOW MIGHT REDUCTIONS IN FIRST 5 LA FUNDS IMPACT FAMILIES AND COMMUNITY-BASED ORGANIZATIONS IN LOS ANGELES COUNTY?**

- First 5 LA funds are granted to more than 100 local community organizations and agencies that provide direct safety net and prevention services to children and families. First 5 LA funds also are used to hire thousands of workers who serve children and families in local communities. If Prop 1D passes, some First 5 LA grantees may need to reduce or eliminate programs for children and families, thereby impacting local communities throughout L.A. County.
- In Los Angeles County, over 2,900 jobs are supported by First 5 LA funds – including public health nurses, preschool teachers, child care workers, and mental health clinicians. If Prop 1D passes, some First 5 LA grantees may need to reduce or eliminate positions, thereby impacting the local economy.
- Local community agencies in L.A. County may have to seek alternative funding during a time of economic crisis that already has forced foundations, corporations and individual donors to restrict their funding, leaving local non-profits struggling.
- Many county/city agencies and school districts are also in the midst of reducing services due to limited revenue, which may make it more difficult for them to respond to service gaps resulting from the potential elimination or reduction of First 5 LA-funded services.

**10. HOW WILL REDUCTIONS IN FIRST 5 FUNDS AND/OR PROGRAMS AFFECT THE GENERAL PUBLIC THROUGHOUT THE STATE?**

- Early childhood initiatives are public investments that yield great return on each dollar spent. Studies show the general public can expect between

\$3.78 and \$17.07 in long-term savings for every dollar spent on early education and other programs for children in the first five years of life.

- With unemployment on the rise, families are increasingly relying on safety net services funded by First 5 commissions in local communities, including health insurance coverage, affordable preschool and daycare, and safety programs for the State's most fragile families. A reduction or elimination of these programs could significantly impact the State's fragile safety net for vulnerable children and families.
- First 5 Commissions can and have moved quickly to address immediate needs in communities, including assisting families displaced by wild fires and making stop gap funding available to community-based organizations that faced shortfalls during the State Budget impasse in 2008. In December, First 5's reacted swiftly to the news of a proposed waiting list for low-income families wanting to receive Healthy Families benefits and allocated funding to directly allow 80,000 California children access to health care. Immediate needs such as these may go unmet if First 5 funding and programs are reduced.