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SUPERIOR COURT JUDGE RULES THAT LEGISLATURE'S ATTEMPT TO TAKE FIRST 5 FUNDS IS INVALID

San Mateo, CA - Judge Debra Kazanjian issued a ruling stating that it was unlawful for the State to take \$1 billion via state legislation (AB 99) from the California Children's Trust Fund administered by First 5 County Commissions. "In 1998, the voters took a stand on approving Proposition 10," said **Debby Armstrong, Executive Director of First 5 San Mateo County**, "Judge Kazanjian's ruling upheld the voice of Californians; this is a victory for our young kids and their families."

AB 99 was approved by the Legislature and signed by Governor Brown on March 24, 2011. The bill required First 5 County Commissions to transfer \$950 million and First 5 California to transfer another \$50 million for a total of \$1 billion in Prop 10 funds to be sent to the State Treasury. Locally, this meant a loss of \$15.5 million for the children and families in San Mateo County.

In April 2011, eleven First 5 County Commissions filed suit against the State in response to its passage of AB 99. The State argued AB 99 was necessary in addressing the budget crisis, but Judge Kazanjian ruled "that argument is disingenuous in that it was the legislature that 'chose' to cut funding to existing services instead of taking what might be an unpopular step of raising revenue." The Judge ruled that AB 99 violates key provisions of Prop 10, including local control of expenditures and requirements that Prop 10 funds supplement (not supplant) existing programs for children.

The ruling stated, "If the Legislature is so concerned with making sure that existing services to young children stay funded, they do have alternative means of doing so, by either imposing new taxes or by putting a measure on the ballot asking voters to lift the restriction on using Prop 10 funds to maintain existing services."

"All children need the best start they can get to achieve success in life," said **Dr. Harvey Kaplan, First 5 San Mateo Commission Chair**. "This decision will ensure that First 5 will have the resources to continue to invest in the many programs and services in our community that provide much needed support for families with young children. The first five years is a critical time for children's development, when much good can be realized by providing access to appropriate health, social, educational, and parent support services."

In 1998, California voters passed Proposition 10 which taxed tobacco products. First 5 Commissions were charged with dispersing the funds in each county to support new or expanded services that help to ensure children from the prenatal stage to age five enter school healthy and ready to learn. There have been two attempts to gut Proposition 10 since its passage in 1998. In each instance, voters have sided with keeping First 5 agencies and their funding intact. The last effort, in the 2009 special election, revealed that a majority of voters rejected the ballot measure (Measure 1D) to divert Proposition 10 funds to the State.

Based on the ruling of Judge Kazanjian, the State now has 60 days in which to file an appeal; however there is no word whether the State plans to appeal the court's decision.

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About First 5 San Mateo County

First 5 San Mateo County works to ensure that children from the prenatal stage to age five will enter school healthy and ready to learn. First 5 funded services for young children and their families are based on decades of research which shows supporting children during their early years significantly reduces the need for more expensive interventions later on, such as special education, foster care, and criminal justice.

Children must be the highest priority of government, business, non-profit institutions, and families. The economic future of our County and State, and the stability of the communities we live in, depends on achieving this goal.

First 5 San Mateo County ~ 650-372-9500 ~ www.first5sanmateo.org