

Special Election May 19, 2009

“TOWN HALL MEETING”

When: MONDAY, APRIL 27 th

Where: OUSD Board Rooms 1-3

Time: 7:00 – 9:00 p.m.

Sponsored by:

The OUSD Legislative Coalition

Proponents and Opponents of each of the six ballot measures will speak and answer questions regarding the State Special Election ballot measures.

The results of the special election may affect the future funding for education in the state of California.

May 19 Statewide Ballot Measures

California State PTA Positions

The official positions on the May 19 ballot measures are as follows:

- 0. Measure 1A – **YES** This measure creates a rainy day fund, temporarily extends tax increases, and provides a funding mechanism for Proposition 1B, which will repay \$9 billion to schools.
- 0. Measure 1B – **YES** This measure repays schools approximately \$9 billion in Proposition 98 funding, beginning in 2011-12.
- 0. Measure 1C – **YES** This measure generates \$5 billion in revenues this year by securitizing and updating the state lottery; school funding would no longer be tied to lottery revenues, with no net change to overall school funding.
- 0. Measure 1D -- **NO** This measure transfers monies away from First 5 programs created by Proposition 10 (1998) for a period of five years, with the intent that the funds be used to protect health and human service programs for children supported by the state's General Fund. The measure makes other programmatic changes to how First 5 funds may be spent.
- 0. Measure 1E -- **YES** This measure transfers monies away from mental health programs funded by Proposition 63 (2004) for a period of two years. The monies would go into the state General Fund to support mental health services.
- 0. Measure 1F -- **No position.** This measure prohibits legislators and the Governor from receiving pay raises when the state budget is running a deficit.

In the upcoming days and weeks, CAPTA will be sending this out to our members and posting on the CAPTA website more detailed information about these measures and our positions.

California Statewide Special Election

May 19, 2009

Proposition 1A “Rainy Day” Budget Stabilization Fund

- Increases size of state “rainy day” fund from **5% to 12.5% of the General Fund**
- A portion of annual deposits into that fund would be dedicated to savings for future economic downturns and the remainder would be available to fund education, infrastructure and debt repayment, or for use in declared emergency.
- Requires additional revenue above historic trends to be deposited into state “rainy day” fund, limiting spending.
- Higher state tax revenues of rough **\$16 billion** from 2010-11 through 2012-13 to help balance state budget.
- Potentially less ups and downs in state spending over time.
- **Tax increases** passed as part of Feb. 2009 budget would be extended by one to two years.

Proposition 1B Education funding. Payment Plan

- **Provides \$9.3 billion** to education funding in future years.
- Uses funds collected in 1A above.
- Annual Payments begin in 2011-12.
- Payments to school districts would be allocated in proportion to ADA and may be used for classroom instruction, textbooks and other local programs.
- Potential savings of up to several billion dollars in 2009-10 and 2010-11.
- Potential state costs of billions of dollars annually thereafter.

Proposition 1C Lottery Modernization Act

- Allows **\$5 Billion** of borrowing from future lottery profits to help balance the 2009-10 state budget.
- Allows state lottery to be modernized to improve its performance with increased payouts, improved marketing and effective management.
- Protects funding levels for schools currently provided by lottery revenues.
- Increased lottery revenues will be used to address current budget deficit and reduce the need for additional tax increases and cuts to state programs.
- Impact on Future State Budgets: Debt-service payments on the lottery borrowing and higher payments to education would likely make it more difficult to balance future state budgets. This impact would be lessened by potentially higher lottery profits.

California Statewide Special Election

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Proposition 1D *Children's Services Funding. Help Balance State Budget.*

- Provides more than \$600 million to protect children's programs in difficult econ times.
- Redirects existing tobacco tax money to protect heal and human services for children including services for at risk families, services for children with disabilities, and services for foster children
- Allows for redirection of existing \$ to fund programs for children 5 and under for health and human service programs.
- Helps balance state budget
- Ensures counties retain funding for local priorities.
- State General Fund savings of up to \$608 million in 2009-10 and \$268 million annually from 2010-11 to 2013-14 from temporarily redirecting a portion of funds from the California and Families Program in place of state General Fund support of health and Human services programs.

Proposition 1E *Mental Health Funding. Temporary Reallocation. Help Balance State Budget*

- Amends Prop.63 to transfer funds, for a two-year period, from mental health programs under the act to pay for mental health services for children and young adults provided through the Early and Periodic Screening, Diagnosis and Treatment Program.
- Provides more than \$225 million in flexible funding for mental health programs.
- Helps balance state budget during this difficult economic time.
- Corresponding reduction in funding available for Prop. 63 community mental health programs.

Proposition 1F *Elected Officials' Salaries. Prevents Pay Increases During Budget Deficit Years.*

- Prevents salary increases for elected Members of the Legislature and statewide constitutional officers including the Governor, in years when the state is running a deficit.
- Director of Finance to determine if a given year is a deficit year.
- Prevents the Citizen Compensation Commission from increasing elected officials salaries in years when the state Special Fund for Economic Uncertainties is in the negative by an amount greater than or equal to one percent of the General Fund