



P R E S S R E L E A S E

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JUDGE RULES STATE OF CALIFORNIA ACTED UNLAWFULLY

AB 99 Invalidated: Prop 10 Funds Remain With First 5

Redding, CA----- Judge Debra Kazanjian issued a ruling saying State leaders acted illegally when they attempted to take \$1 billion from the California Children's Trust Fund administered by First 5 County Commissions. All 58 county First 5 Commissions, including First 5 Shasta, were poised to transfer funds to the State based on the passage of AB 99 in April 2011.

"This is a huge win for California voters and our children," said Joy Garcia, Executive Director of First 5 Shasta. "First 5 Shasta now gets to keep the nearly \$1.9 million it would have been required to transfer to the State and that's money our children and community desperately needs."

First 5 Commissions of Fresno, Merced, and Madera, joined by seven other counties, filed suit against the State in response to its passage of AB 99 in April 2011. The case was heard in Fresno County. AB 99 authorized the raiding of the Children's Trust Fund which comes from a tobacco tax and is administered by First 5 Commissions

Judge Kazanjian ruled, "the entire bill is invalid." She also said, "To claim that transferring decision-making from local communities to the state legislature is 'consistent with' Prop 10 is like asking the court to find that black means white."

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."

In 1998, California voters passed Proposition 10 which taxed tobacco products. First 5 Commissions were charged with dispersing the funds in each county to fund non-existing critical health and educational services that help to ensure children from the prenatal stage to age five will enter school ready to learn. The funding targets prevention-focused programs that reduce costs related to special education and other expensive state and county services.

First 5 Shasta, the Shasta Children and Families First Commission, was established after voters passed Proposition 10 in November 1998, adding a 50 cent-per-pack tax on cigarettes to fund education, health, child care and other programs promoting early childhood development for expectant parents and children up to age five. To date, First 5 Shasta has invested over \$15 million in local programs and activities that benefit young children and families.