

AB 1349 (Torlakson)

Prop 49 After School Program Alignment

Summary: AB 1349 would 1) align Prop 49 after school funds with Prop 98's annual budget scenario, to allow cuts to this program during difficult budget years, 2) allow unspent and unencumbered Prop 49 funds to revert back to Prop 98, and 3) give authority to the Legislature to provide a cost of living adjustment for programs funded under Prop 49. This bill would also place these provisions on the ballot.

Background: With the implementation of Prop 49's \$550 million dollar investment in state after school programs in 2006, California increased after school offerings statewide from 1,000 to over 4,000 school sites. Almost 75% of these school sites are in the lowest five deciles, and all the schools are in high poverty communities. Prop 49 funded programs serve almost 1 million children each year.

Prop 49 was written to protect after school funds from the highs and lows of the annual budget process. Due to the nature of how after school programs are designed and the bare-bone nature of their budgets, frequent changes in appropriation levels would severely undercut schools' interest in accepting these funds and running these beneficial programs. However, the Legislature must have some ability to adjust Prop 49 fund in years of severe economic distress.

AB 1349, if signed by the Governor and approved by the voters, would allow the Legislature to lower Prop 49's appropriation in a budget year when a Test 3 calculation is used for Prop 98. In a Test 3 year, Prop 49 could be lowered equal to the percentage that Prop 98 falls short of a Test 2 calculation. In the following budget year, the Prop 49 guarantee would return back to \$550 million, unless Prop 98 is again determined in Test 3 and the Legislature chooses to lower Prop 49 again. No maintenance factor for Prop 49 specifically would be incurred, except as part of the maintenance factor for Prop 98 overall. AB 1349 would allow any Prop 49 funds that go unspent or unencumbered two years after the budget year to go into the Prop 98 reversion account.

AB 1349 would allow the Legislature to provide a cost of living adjustment to the After School Education and Safety program's per pupil rate, set pursuant to Section 8483.7, and this COLA would be subject to the annual budget act.

Status: Introduced 2/27/09

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