



Clarifying
Complex
Education
Issues

Proposition 49

The ballot measure would greatly expand state support for after-school programs

After-school programs have been receiving increased attention and support as a way to improve the academic achievement of struggling students and reduce juvenile crime. Proposition 49 seeks to greatly increase and make permanent California's financial commitment to before- and after-school programs for students in elementary and middle schools.

Proposition 49 modifies and dramatically expands an existing state program

The state has several programs that provide funds for academic and enrichment activities. Proposition 49 would modify one of those programs—the “Before and After School Learning and Safe Neighborhoods Program.” This program has grown from \$50 million in 1999–2000 to \$95.3 million two years later, partially funding after-school programs in about one quarter of California's elementary and middle schools. Those programs serve about 130,000 students.

Proposition 49 would dramatically accelerate this growth, increasing the program's funding to as much as \$550 million per year by 2004–05, provided the state's economy regains its strength. The program's funding would remain as part of the state's constitutional guaranteed minimum funding for public schools and community colleges. (See the box on Proposition 98 on page 2.) Proposition 49 would also change the name of the existing program to the “After School Education and Safety Program” and would change its funding priorities.

The existing program is based on a school-community partnership

The current program allows schools alone, or those partnered with local governments or nonprofits, to operate before- and after-school programs. Local programs must contribute at least \$1 from local or federal sources for every \$2 the state provides. Schools get \$5 for each pupil attending an after-school session and

\$3.33 per pupil for a before-school program. Those provisions would not change under Proposition 49.

Under the current program, a number of restrictions apply. For example, elementary school pupils are expected to participate for three hours every day in order for the school to receive funding for them. Programs must provide both academic support and enrichment activities such as recreation. Those restrictions would also remain under Proposition 49.

Proposition 49 would modify the existing program and affect the state budget

The funding process for the state's current after-school program has given priority to middle schools and to schools serving a majority of low-income students. Beginning in 2004–05, Proposition 49 would establish new funding priorities:

- ✓ Local programs that have existing before- and after-school grants in 2003–04 would have first funding priority. Existing grants are capped at \$75,000 for elementary schools and \$100,000 for middle schools, but large schools can receive as much as double the cap. The existing grants would be renewed annually as long as grantees met program requirements.
- ✓ The initiative's second priority would be to create “universal” grants for *after-school* programs. All schools would have equal access, but the grants would be capped at lower amounts: \$50,000 for elementary schools and \$75,000 for middle schools. However, Proposition 49 would also give schools serving a majority of low-income students priority if there were not enough funds to cover all schools.
- ✓ The third priority would be to use any remaining funds to provide additional *before- and after-school* grants under current rules, which allow more funding for large schools and give priority to schools serving predominantly low-income students.

To help voters understand Proposition 49, EdSource—a nonprofit, nonpartisan education research organization—developed this impartial analysis that outlines the measure's provisions and summarizes the major arguments pro and con.

This Voter's Guide may be reprinted, with credit to EdSource.

4151 Middlefield Rd.,
Suite 100,
Palo Alto, CA
94303-4743

e-mail:
edsources@edsources.org
For Spanish translation:
www.edsources.org

In addition, Proposition 49 would allow the California Department of Education (CDE) to use 1.5% of the annual state appropriation for program evaluation, training, and support to help ensure the quality of after-school programs. The proposition would also require that local law enforcement agencies be included in the program planning process and would allow programs to be in locations other than school sites as long as certain requirements are met and schools provide safe transportation to those sites.

State funds for after-school programs would increase substantially

The initiative's authors created a funding process that would commit substantially more state money to the After School Education and Safety Program over the course of two or more years. The specific amount is based on the condition of California's General Fund. If the state's economy is sufficiently healthy in 2004–05, Proposition 49 would increase the annual state contribution to this after-school program to \$550 million.

Several factors would determine the rate of increase

The law creating the existing after-school program set a funding goal of a minimum of \$85 million per year. Proposition 49 says that beginning in 2004–05 and no matter what the state of the economy, the Legislature would be required to fund the after-school program at least at the same level as the previous year.

But if state revenues were higher than the previous year by a sufficient amount, the Legislature would have to increase funds up to \$550 million. That requirement would go into effect if lawmakers fully funded the Proposition 98 guarantee (see the box on this page) and also increased funding for all other state programs by at least \$1.5 billion over a base amount. (The proposition sets that base amount as the highest amount spent on all other state programs in one budget year between 2000–01 and 2003–04.)

Certain conditions must be met to reduce funding for the program

Under the initiative, lawmakers are always free to increase funding above \$550 million. The \$550 million is meant to be a floor, not a ceiling. However, under difficult economic conditions, funding for the after-school program could be cut if the state were in an economic downturn severe enough to allow a reduction in spending under the provisions of Proposition 98. (See the box on this page.) If such an economic downturn did occur, legislators would be required to cut the funding for the after-school program by the same percentage as they reduced funds for other K–14 education programs.

Funding for the program could also be cut if voters approved a new initiative that allowed such a reduction.

How Proposition 49 would interact with the Proposition 98 guarantee for K–14 education

Proposition 98, approved by voters in November 1988, created a minimum funding guarantee for K–12 schools and community colleges (K–14). This is known as the Proposition 98 guarantee. Annually, the Legislature must set at least this amount aside for education programs, but it has discretion over how the funds are spent.

In an analysis of Proposition 49, the Legislative Analyst's Office (LAO) explains the potential interplay between the initiative and Proposition 98 funding requirements. The impact would vary depending on when lawmakers decided to fund the program. Under Proposition 49, the LAO says, any increases state leaders made to the After School Education and Safety Program in 2003–04 could be made without increasing the total Proposition 98 guarantee. Additional funds added to the program in 2004–05, however, would have to be on top of the state's minimum funding requirement for K–14.

While the level of guaranteed K–14 funding under Proposition 98 tends to increase annually, it is set based on the state's economy, the health of the state's General Fund, and student enrollment. Thus, under some conditions such as the current economic downturn, it can remain static or even decrease. Should Proposition 49 pass, that would be the only situation in which lawmakers could reduce funds for the program without voter approval, and then only by the same percentage as they reduced Proposition 98 funds.

Proponents and opponents disagree about the initiative's approach to funding after-school programs

Top state leaders and education organizations are endorsing this initiative, which has been authored and sponsored by movie star and spokesman Arnold Schwarzenegger. Proponents include state Attorney General Bill Lockyer, state Superintendent Delaine Eastin, the state PTA, Children Now, the California Teachers Association (CTA), the AARP, the YMCA, taxpayer associations, and some state police and business organizations.

The ballot argument lists the League of Women Voters of California as an opponent of Proposition 49. The Service Employees International Union (SEIU) Local 535, the American Association of University Women–California, and the Child Care Law Center also oppose the initiative.

Opponents argue that other state programs would suffer

The League supports after-school programs but opposes Proposition 49 because of its approach to funding. The

League calls the measure “a bad approach to a good cause” because it sets one program apart from all others supported by the state, guaranteeing its funding and preventing legislators from responding to changing needs. Particularly during an economic downturn, other programs equally important for children might have to face deeper cuts, or taxes might have to be raised, because the after-school program’s funds could not be reduced, the League says. To protect other state programs, a new program requiring this large a financial commitment should have its own funding source.

The well-being of children “requires more than just after-school programs,” states the rebuttal in the ballot argument. “It requires programs that provide child protection, family advocacy, medical care, dental care, mental health care, and assistance in meeting such basic human needs...food, clothing, and housing. ...None of these important programs has guaranteed funding. But Prop. 49 fully funds one after-school program, year after year, in good budget times and bad. Is that fair? Is that good public policy?”

Using the initiative process to earmark funds also sets a bad precedent, the League says, adding that earmarked funds should only be used in situations where the benefits to society outweigh the loss in flexibility. Even in those situations, the League adds, funds should not be earmarked forever but instead have a built-in “sunset” date when legislators would be required to review whether the funding continues to be needed. There is no such sunset clause in the after-school initiative.

Independent analyses predict that other state programs could be affected

Analyses by the LAO and the nonprofit, nonpartisan California Budget Project (CBP) also suggest that other state programs could be affected if this proposition passes. Neither organization takes positions for or against propositions.

Proposition 49 states that the after-school program would not receive the full \$550 million in funding in 2004–05 unless the state was first able to pay for \$1.5 billion in increases in all state programs except K–14 education. But \$1.5 billion is not high enough, according to the LAO and CBP.

Based on spending requirements in current law, the LAO and CBP estimate that General Fund spending outside of Proposition 98 will grow by about \$5 billion from 2003–04 to 2004–05. This is due primarily to cost-of-living adjustments and increased growth in the number of people who need state programs, not funding for new state programs. The proposition also does not consider future funding needs not covered under the current state budget, the CBP says, such as upcoming federal funding cuts in health programs and support for a growing population of elderly.

Proposition 49 could affect K–14 funds guaranteed under Proposition 98

If legislators choose to fully fund the Proposition 49 program in 2003–04, they could take those funds from the K–14 edu-

cation pot that is part of Proposition 98’s guarantee, the LAO says. (See the box on page 2.)

In addition, the Legislature would lose flexibility in determining how to spend guaranteed K–14 funds, the CBP says. Each year those funds are adjusted generally based on inflation and the changes in the number of students enrolled. Various programs under the guarantee compete for funds, allowing lawmakers to respond to changing education needs. But if Proposition 49 passed, the After School Education and Safety Program would continue to get the same amount of funding “even if demand for the program decreases or more effective programs were identified,” the CBP says. It would be the only K–14 education program that had its funding protected in that way.

Proponents argue that Proposition 49 will pay for itself

Supporters say that Proposition 49 is “funded out of future growth in state revenues, but only after the economy has recovered. It will not require an increase in taxes or affect the current budget.” In addition, proponents argue, this after-school program will not siphon funds from K–14 education, and the \$1.5 billion annual increase for other state programs will more than cover cost-of-living increases for existing programs, but not new programs or growth in existing programs. The \$1.5 billion is enough, they say, to protect vital state programs without raising taxes or supporting unnecessary growth in state programs. And, they say, the state is protected during a severe economic downturn because the after-school program’s funds could be reduced by the same percentage as other K–14 education programs. (See the box on page 2.)

Proponents also argue that the program will more than pay for itself because it will reduce juvenile crime and lessen the need for remedial education. “After-school programs reduce gang activity, reduce drug use, improve grades and test scores, and make our communities safer for everyone,” states the rebuttal in the ballot argument.

A study of the potential cost effectiveness of Proposition 49, which was commissioned by the proponents and conducted by The Rose Institute out of Claremont McKenna College, estimates that each dollar spent on after-school programs could save taxpayers by improving the results for at-risk youth. The savings would be the result of lowering the costs of remedial education, increasing at-risk students’ eventual earning power and tax contributions, reducing crime, and lowering the amount needed for welfare benefits.

Proponents say research on juvenile crime supports their view

Proponents point to a report by Fight Crime: Invest in Kids California—a nonprofit, anti-crime organization led by California sheriffs, police chiefs, district attorneys, and victims of violence. The report summarizes findings from a number of studies on juvenile crime and anti-social behavior, such as:

- ✓ Students are most likely to commit crimes and become victims of crime between 2 p.m. and 6 p.m.
- ✓ The late afternoon is also prime time for teen sex, drug and alcohol abuse, and smoking.
- ✓ After-school programs can reduce crime and anti-social behavior. For example, in one study researchers from Philliber Research Associates looked at 12 high-risk communities. Among K–12 students participating in after-school programs, the researchers found that vandalism and stealing dropped by two-thirds and violent acts fell by more than half. The average age of the students in this study was 10.8 years.

Proponents say the state will save money on remedial education

Supporters also argue that the state would need to spend fewer dollars for remedial education because children typically receive tutoring and homework help in these programs. They refer to a University of California, Irvine, evaluation in 2000–01 of the current after-school program, which found improvements in student achievement as well as student behavior and attitudes toward school. The evaluators also found a decrease in suspension rates and a reduction at every grade level in students being held back in school, with 53.4% fewer primary grade students in the after-school program having to repeat a grade. This 53.4% reduction in retention rates saved the state an estimated \$11 million for the current school year, according to State Superintendent Eastin.

The evaluators from UC–Irvine also found that the per-pupil cost to the state for the after-school program was considerably less than intervention programs aimed at improving student achievement. “The evaluations show that the program is highly cost-effective,” the report states. “It is one of the lowest-cost academic interventions in California, costing the state \$1.67 per student hour of participation.”

Voters must weigh funding and other issues

With well over half of California school-aged children in single-parent and dual-career families, an initiative supporting after-school programs without raising taxes might appear to be as uncontroversial as motherhood and apple pie. But the measure is causing considerable debate even among traditional supporters of after-school programs, such as the California School Boards Association (CSBA), which voted to take a neutral stance after failing to reach consensus about the proposition.

If voters believe that such programs are needed, they must decide whether Proposition 49 is the best way to meet this need. Do the changes the initiative introduces—such as lower funding caps and the emphasis on universal coverage—make the current out-of-school program better or worse? Does it make sense to lock up a significant amount of state funds with no new funding source? Or will the after-school program pay for itself in reduced crime and remedial education costs? If the state experiences another economic downturn, will the strong funding guarantee for this specific program harm other important state programs, including K–14 education? And, do opponents’ concerns justify opposing a measure that will greatly expand after-school programs that both sides agree are important? 

To Learn More

Proponents: Citizens for After School Programs, 3110 Main St., Suite 210, Santa Monica, CA 90405; 310/664-9002; www.joinarnold.com

Opponents: League of Women Voters of California, 926 J St., Suite 515, Sacramento, CA 95814; 916/442-7215; <http://ca.lwv.org>

Other sources of information:

California Budget Project (CBP), 921 11th St., Suite 502, Sacramento, CA 95814-2820; 916/444-0500; www.cbp.org

California School Boards Association, 3100 Beacon Blvd., West Sacramento, CA 95691; 916/371-4691; www.csba.org, click on “More Education News.”

The California Voter Foundation provides impartial information about state propositions and candidates: www.calvoter.org

Fight Crime: Invest in Kids California report, “California’s After-School Choice: Juvenile Crime or Safe Learning Time”: www.fightcrime.org/ca

Legislative Analyst’s Office (LAO). To download an analysis of the proposition, go to: www.lao.ca.gov/initiatives/Fiscal_Letters/2001/011121_INT.pdf

The Rose Institute of State & Local Government’s report, “The Costs and Benefits of After School Programs”: <http://rose.research.claremontmckenna.edu>

University of California, Irvine, evaluation of the state’s current after-school programs: www.cde.ca.gov/afterschool/evalcover.htm