

**FIRST 5 CALIFORNIA
CHILDREN AND FAMILIES COMMISSION**

October 21, 2009

**The California Endowment
1000 North Alameda Street
Yosemite Hall
Los Angeles, CA 90012**

MINUTES

Agenda Item 1 – Call to Order and Chair’s Welcome

Chair Joe Munso called the meeting to order.

Commissioners Present: Joe Munso, Chair
Carla Dartis
Patrick Duterte
Maria Minon, M.D.
Molly Munger
Sumi Sousa

Commissioner Absent: Eleni Tsakopoulos-Kounalakis

Ex Officio Member Present: Dr. Glen Thomas

Ex Officio Member Absent: Kim Belshé

Joe Munso, new Commission Chair, thanked Governor Schwarzenegger for his appointment and welcomed two newly appointed commissioners Sumi Sousa and Patrick Duterte. Commissioner Sousa, health policy consultant for the State Assembly, was appointed to the Commission by Assembly Speaker Karen Bass to replace Don Attore who resigned in July 2009. Patrick Duterte, Director of the Solano Health and Human Services Agency, was appointed by the Governor to fill the position previously held by David Kears.

Chair Munso commented on core programs throughout the state and locally that are challenged as a result of difficult economic times. Chair Munso stated that he looks forward to see how First 5 California can play a role and be a part of making that a smooth transition, as well as maintaining the needed services for young children and their families.

PUBLIC COMMENT: None.

Agenda Item 2 – Executive Director’s Report

Kris Perry, Executive Director, congratulated and welcomed First 5’s newly appointed Commissioners: Chair, Joe Munso, and Commissioners Patrick Duterte and Sumi Sousa. Ms. Perry also expressed a heartfelt thanks to former Vice Chair David Kears for his significant contributions to the mission of First 5 California. Ms. Perry further provided an update and reported on the following items:

H1N1 Prevention Outreach Efforts

Due to the serious concerns that H1N1 and the seasonal flu pose to pregnant women and young children, First 5 California has been actively raising awareness about flu prevention this fall.

First 5 held a community gathering at the Kidspace Children’s Museum in Pasadena to remind parents and caregivers to get their children vaccinated for H1N1 and the seasonal flu.

Ms. Perry thanked Commissioner Dartis for attending and was pleased to see so many families, preschool classes, and mommy bloggers at the event as well as:

- First 5’s partners at The Jim Henson Company and *KCET*
- County executive directors from First 5 LA, Santa Cruz, Santa Barbara, Monterey and Humboldt
- Revolution Foods

Los Angeles County Public Health Director and First 5 LA Commissioner Dr. Jonathan Fielding promoted the importance of, and brought awareness to, the H1N1 vaccine, as well as other flu prevention methods. In addition, young children were able to view a special sneak-peak preview of a new *Sid the Science Kid* episode that focused on the importance of vaccinations.

Ms. Perry spoke about simple flu prevention methods on her regular KCRA-3’s morning show in Sacramento. The segment was part of First 5’s monthly “First 5’s Top Five” series with the station. The Hands-on Health Express mobile van also focused heavily on flu prevention.

Outreach Efforts for Hard-to-Reach Populations

In October 2008, First 5 awarded a contract to ProProse, a social marketing firm, to conduct a study on hard-to-reach communities, which will help inform our future public education and outreach efforts. An example of what was learned in the study was that the Asian population and other populations in California are being reached in the proportions in which they are represented generally in the population through *Sid the Science Kid*.

Early Start Program

Ms. Perry has been in conversations with staff at the California Health and Human Services Agency (HHS) and the Department of Developmental Services (DDS) regarding a \$50 million budget shortfall in the DDS Early Start Program as a result of General Fund

cuts in the Budget package signed by the Governor in July. Ms. Perry will be meeting with both agencies, on October 30, 2009, to discuss the shortfall and solutions that First 5 state and county commissions may be able to collaboratively address.

Small Population Counties

In November 2007, the Commission approved funding for the small population counties, not to exceed \$3.5 million annually through Fiscal Year 2010-11. The Commission also authorized staff to secure outside expertise to update the funding model to support further determinations of eligibility and amounts for small population county augmentations. Earlier this year, Ms. Perry reported that First 5 was proceeding with an agreement with the Board of Equalization (BOE) to develop the financial model. Unfortunately, BOE was not able to enter into an agreement with First 5 California. However, Ms. Perry was pleased to report that First 5 signed an agreement with a new contractor, the NewPoint Group, and awaits Department of General Services' approval of that contract.

There will be a role for representatives from the Small County Augmentation Workgroup to provide input to the contractor during the process.

DISCUSSION: Commissioner Dartis commented on the heartfelt and powerful experience in seeing the State Commission and local representatives, parents and the kids interacting in such a healthy way at the Sid event. She expressed how wonderful the public service announcement that is embedded in the *Sid the Science Kid* program was in furthering the outreach for flu vaccinations. Ms. Perry stated that the special episode of *Sid the Science Kid* on vaccinations had been funded by the U.S. Department of Health and Human Services. They are reaching out to Governors across the U.S., including Governor Schwarzenegger, to have them participate in a public service announcement to help get the word out on the importance of getting children vaccinated.

PUBLIC COMMENT: None.

Agenda Item 3 – First 5 Association of California Report

Sherry Novick, Executive Director of the First 5 Association, provided an update on Association activities and how county commissions are responding to the state budget cuts and the ongoing impact of the economy on children and families.

- Most county commissions are protective of First 5 funding and are not in a hurry to backfill cuts as they realize those early intervention protection dollars do not exist anywhere else. County commissions take the non-supplantation requirement very seriously and strategically think about where to invest county dollars to help where possible.
- Where commissions are funding positions that were cut by the state budget such as those in child welfare, they are working to insert an explicit focus on the various needs of young children.
- Although small population counties do not have the same amount of funding to redirect, they have found that funding just one or two positions can keep whole

programs going such as preschool, autism services, and transitional shelters, which serve real high need families.

- Commissions are still developing partnerships at the local level and continue to work together across counties.
- Nine commissions have implemented screening, assessment, referral and treatment (SART) programs that bring together a wide range of public and community-based services to identify developmental problems early and ensure families receive the services they need.
- County commissions are stepping up efforts to build collaborations with school districts, early child educators, and other service agencies to provide oral health access and education.
- About 15 commissions convened to identify common lessons learned from their efforts to increase the quality of early childhood education, so that state policymakers can benefit from years of local commission experience.
- The Northeast and Northwest regions used their State Commission Regional Technical Assistance (TA) funding to enhance evaluation capability and develop common tools and joint outcomes reports.
- The Southern region developed a searchable data system that allows for sharing evaluations and program information.

DISCUSSION: Commissioner Duterte wanted to hear how county commissions are responding to the budget cuts so that it can be shared. He stated that there would be remarkable pressure on First 5 commissions at the local level to utilize funding to help. He was pleased to hear that county commissions are realizing that they need to help somehow without losing sight of the goals and mission of First 5. Ms. Novick said that most county commissions realize that no matter how much money they put in, First 5 really does not have nearly enough money to fill those budget gaps.

Commissioner Duterte asked if there was a list of how county commissions are responding to the budget cuts so that it can be shared. Ms. Novick said that the Association can create a section on its Web site to capture this information.

Chair Munso asked if there was any thought in the Association to coalesce around certain programs and bring some kind of common approach across the state through the commissions in terms of looking at programs that may be most in need, such as child welfare services. Ms. Novick said that it is not easy to get statewide agreement on these units of local government. She said the best strategy that works is when there is an explicit request and a mechanism for those counties who want to participate to do so. She noted that the problem is that the needs and the perception of those needs vary for each county.

Commissioner Dartis said that while we all recognize that county commissions are distinct units of government, the urgency of what we are experiencing today really does require everyone to embrace the discomfort of what change brings. In doing so, we step in a proactive way to support and address these needs in a way that

works for us versus being forced to address these needs in ways that may not work for us. Commissioner Sousa expressed her strong agreement with that sentiment.

PUBLIC COMMENT: None.

Agenda Item 4 – Committee Reports

4a – Program Committee

Sarah Neville-Morgan, Deputy Director of Program Management, reported that the Program Committee met to offer feed back and their thoughts on the Project Legacy and tobacco cessation agenda items.

DISCUSSION: None.

PUBLIC COMMENT: None.

Agenda Item 5 – Legislative Update

Marsha Jones, Chief of Legislative and Governmental Affairs, provided a brief update on three key bills that recently passed into law in the regular session:

- AB 1422 (Bass) includes sources of funds and program changes that fill the budget shortfall in the Healthy Families Program that allow children to keep their health coverage. The bill makes changes to the California Children and Families Act to provide that funds not needed in four accounts may be transferred to the Unallocated Account upon approval of the State Commission. The Healthy Families Program remains in operation in part due to First 5 California's contribution of \$81.4 million to cover children ages 0 to 5.
- AB 1383 (Jones) levies hospital provider fees that will be used as matching funds to draw down federal dollars to provide an annual fund of approximately \$320 million for children's health care and to assist hospitals who provide care to underserved families.
- SB 19 (Simitian) makes changes related to the statewide collection reporting and use of education data in an effort to allow California to continue development of California's Longitudinal Pupil Achievement Data System. The bill also removes a barrier to California's eligibility to compete for federal education funds under the American Recovery and Reinvestment Act of 2009.

Ms. Jones reported that there are still many bills pending as the Legislature completed the first year of a two-year session. First 5 will continue to monitor those bills and bring back further information at the January Commission meeting.

DISCUSSION: None.

PUBLIC COMMENT: None.

Agenda Item 6 – ProPose Report on Hard-to-Reach Populations

Elisa Bupara, Director of Communications, introduced Anne Staines, CEO of ProPose, who reported on findings from its study of hard-to-reach populations and best methods to communicate First 5 California's important messages in appropriate languages and in culturally appropriate ways.

Groups studied included American Indian and Mexican indigenous populations, as well as groups defined by the US Census Bureau as linguistically isolated, which are individuals who are identified as adults over 14 who are not fluent in English, speak one of the 27 languages other than English that account for 99.7% of the non-English-speaking population, live in designated census areas, and have children under 5 years of age.

Research included data analysis, literature reviews, media analysis, and key informant interviews with 9 select First 5 county commissions that were identified as having high populations of non-English speaking communities.

Specific findings:

- 349,446 families are linguistically isolated and speak one of the top 27 languages in the state
- The largest group, 291,590 (84%), of the linguistically isolated families with young children are Spanish speakers
- Vietnamese speaking households are the next largest group, totaling 10,667 (3%)
- 25,978 American Indian families with children under 6 reside in the state, primarily in rural northern counties
- An estimated 95,000 to 115,000 indigenous Mexican families reside in various locations throughout the state

Common attributes and beliefs among hard to reach populations:

- Depression and anxiety are common
- Working conditions are poor
- Cultural diversity can be present within speakers of the same language
- Ambivalence about assimilation affects how children are raised
- Use of publicly-funded services is less likely among the undocumented
- Men often play an important role in family life and decision-making

Findings related to media access and information technology usage:

- 45% of all African-American, Latino, Asian-American, American Indian and Arab-American adults prefer ethnic media (television, radio or newspaper) to their mainstream counterparts
- 87% of Latino adults access Spanish-language media
- Chinese, Korean, and Vietnamese populations have the most in-language media available to them
- Only three radio stations have programs specifically for American Indians
- Radio Bilingüe broadcasts to indigenous Mexican populations in some parts of the state

- Latinos are the largest population group (44%) to visit the First 5 California Web site, with the second largest being Caucasian at 36%
- 53% of Latinos have Internet access and 61% use computers
- 85% of Asians have internet access and 87% have computers
- 65% of rural residents own computers versus 73% of urban residents
- 53% of Blacks, 44% of Asians, and 28% of Latinos use social networking sites

Types of organizations included in the grassroots outreach database:

- Community Centers
- Ethnic/Cultural Associations
- Family Resource Centers
- Religious Centers
- Immigrant and Refugee Centers
- Women's Shelters
- Health Care Centers/Referral Networks
- Advocacy Programs

Based on the research conducted, it was recommended that First 5 focus on:

- Use of technologically sophisticated communications channels, such as subscription television channels for some groups
- Web sites, where use is increasing in popularity among almost all hard-to-reach communities, especially in urban areas
- Radio shows, which are popular with rural immigrants, featuring local hosts who play familiar music and cover relevant issues
- Outreach through churches or temples for some, but not all, groups
- Grassroots outreach workers recruited from the groups themselves
- Working with local community members who speak the language and are aware of cultural issues critical to effective communication
- Careful use of translation, with involvement of a local member of the group, to ensure the meaning is fully understood and culturally appropriate.

DISCUSSION: Commissioners Thomas and Dartis noted that the study had broad application beyond First 5 and suggested that it be shared with other departments and organizations throughout the state. Ms. Bupara responded that First 5 staff will meet internally to determine next steps. The information will be posted on First 5's TA Web site for county commission use, shared with the Commission's current communications contractors, and discussed by the media committee. The CD from the presentation will be available to anyone who requests it.

Commissioner Minon asked if the study included reasons why some populations preferred radio over literature. Ms. Staines indicated that ProPose analyzed in terms of quantitative information the educational level of the mothers, as that has been proven to be a good indicator of the level of literacy in the family. She noted that languages that are primarily oral have very low literacy rates.

Chair Munso asked if the discussion about use of the study includes who should reach out to these populations. He suggested that county commissions should be involved since they know the communities best.

Commissioner Duterte noted that when he worked in Santa Clara County, they found the best outreach for their Healthy Kids program was through promotoras, which demonstrates the point made by the research findings.

Commissioner Munger expressed concern that by focusing on the language groups besides Spanish, the report could inadvertently lose sight of the vast number of Spanish-speaking families who First 5 needs to reach, as well as indigenous Mexican families, and asked that the posted information reflect that need.

PUBLIC COMMENT: Pat Wheatley, First 5 Santa Barbara, indicated that her commission has built relationships with indigenous communities and the radio stations that serve them. The Santa Barbara County Health Department recognized this and is now partnering with the county commission for public health outreach to these communities. She suggested the State Commission could similarly partner with local commissions.

Donita Stromgren, First 5 Yolo, pointed out the importance of reaching these populations during the 2010 census and suggested use of the study for that purpose as well.

Francine Rodd, First 5 Monterey, said this is a perfect example of how to maximize resources. The State Commission had the resources to do this study, which county commissions could not have done, but county commissions may be best able to implement the local approach recommended by the study.

Wendy Rowan, First 5 Humboldt, shared the experience her commission has had in its school readiness project on the Hoopa Valley Indian Reservation, including how it is now branching out to apply what has been learned with other tribes. She also noted that they found the strategy of implementing playgroups succeeds in reaching families who otherwise may choose not to participate in public programs.

Agenda Item 7 – Fiscal Year-End Summary

Terry Miller, Chief of Administrative Services, presented the Commission with a fiscal briefing that illustrated First 5 California's year-end revenue and expenditure report for Fiscal Year (FY) 2008-09; the Fund Condition for FYs 2008-09 and 2009-10; projected revenues for FYs 2009-10 through 2012; and future revenue and expenditure projections.

First 5 California's Funding Structure

The Board of Equalization (BOE) is the state agency that collects tobacco tax revenues and transfers funds designated by statute.

Fifty cents of the tobacco tax revenue is directed to the California Children and Families Commission Trust Fund for First 5 California to disburse and/or to oversee.

By statute, the BOE is required to make adjustments to the fund before transferring funds to the various accounts.

BOE transfers money to the California Children and Families Trust Fund monthly: and by statutory direction, 80% is disbursed by First 5 California to county commissions based on birthrate data, and 20% is placed in six First 5 California accounts.

First 5 California maintains a spending plan and expends funds consistent with the Strategic Plan set forth by the State Commission.

Fiscal accounts are audited on an annual basis. First 5 California's financial audit report will be presented at the January Commission meeting.

Board of Equalization Adjustments

BOE adjustments to total tax revenues collected are deducted before any disbursement to First 5 California accounts. The two primary deductions include BOE administrative costs and Proposition 99 backfill amounts.

BOE deductions for administrative costs increased to \$11.7 million in 2008-09, more than twice the cost in 2005-06, and more than 10 times the cost in 2001-02.

The BOE provided an adjusted tobacco tax revenue projection that incorporates the impact of the new federal tobacco tax and found the impact on First 5 California will be a decrease of approximately \$8.72 million in 2009-10.

Because the BOE deductions for the Proposition 99 backfill and administrative charges are usually taken in October or November, both the state and county commissions experience a significant drop in revenues at that time of the year.

Actual and Projected Revenue by Fiscal Year

In FY 2008-09, Proposition 10 tobacco tax revenues totaled \$525,302,985, a 4.25% decrease from the previous year. The State Commission's share was \$105,060,597.

Procedurally, DOF provides and releases tax revenue projections in January after the release of the Governor's Budget. Updated projections are given in May following the May Budget revision.

The beginning projections for FY 2008-09 were \$541 million. Adjustments were made after the May Revise to \$508 million, which represented a 6.1% change during that fiscal year.

Surplus Money Investment Fund

In addition to tobacco tax revenue, First 5 California receives interest revenue from the Surplus Money Investment Fund (SMIF), which is earned by all state and county accounts and managed by the State Treasurer's Office.

Interest earned by the State Commission from SMIF decreased by nearly 50% from 2007-08. This was due to the combination of lower interest rates and less money in the fund because of higher spending levels in 2008-09.

Fund Condition Summary

First 5 California expenditures in FY 2008-09 were \$121 million and are projected to be \$275 million in FY 2009-10. This is a \$154 million increase in expenditures, which will decrease the ending fund balance by approximately \$170 million from the prior year. This includes the \$81.4 million pledged to the Healthy Families Program as well as all other commission contracts and agreements.

Spending Plan Summary

First 5's expenditures include program and contract encumbrances and obligations approved by the State Commission. The spending plan details reflect total resources, which include prior year carryover, annual revenue, SMIF and other revenue.

The reduction in projected expenditures, in FY 2010-11 and FY 2011-2012, will allow the State Commission to support and shift funding commitments to the new Signature Programs with increased quality and accountability.

Included within the spending plan is a reserve of 15% by account. This level of reserve is what is recommended and advised by the Government Financial Officers Association (GFOA) for governmental accounts that experience this rate of fluctuation of tax revenue.

Ms. Miller pointed out that the spending plan does not yet include expenditures on the Commission's planned Signature Programs resulting from Project Legacy.

FY 2009-10 Spending by Strategic Goal

First 5 California invests over 86% of total expenditures annually in program development and implementation.

Although projected expenditures for FYs 2009-10 through 2011-12 will decline, the percent of expenditures for program development and implementation continues to reflect the majority of expenditures over the next 3 years.

Revenue and Current Commitments

Commissioners were provided with a detailed report on First 5's revenue and current commitments for FYs 2009-10 through 2011-12.

First 5 California enters into multiple year funding agreements with outside vendors and counties. Therefore, the commitments may shift from one year to another depending upon actual and projected spending by fiscal year.

DISCUSSION: Commissioner Dartis expressed concern regarding the increase in the BOE's administrative fees. She asked if First 5 has ever requested an audit of the functionality and services that are provided and the costs that are related to providing those services. Ms. Miller stated that although First 5 California has not requested a formal audit, concerns have been raised with the Department of Finance (DOF). First 5 also requested DOF to review analyses of the budget change proposals. DOF completed that request and found that those costs were sustainable. Chair Munso recommended that First 5 California invite the BOE to a future Commission meeting to discuss their administrative process and explain the increase more thoroughly.

Commissioner Sousa asked for a list of all the programs currently funded by the Commission to provide a context to the financial report. Ms. Perry said a compendium does not currently exist. She suggested looking at the Commission's Annual Report, Web site, and Strategic Plan to get programmatic information and agreed that program staff could develop such a compendium. Commissioner Sousa said there may be programs that were once funded but may not be a priority in the current economic situation. Ms. Perry said staff could bring a complete picture of all current obligations to the January meeting.

Commissioner Duterte said he assumed the \$81.4 million contribution to the Healthy Families Program must require some re-thinking since it was such a large hit to the Commission's resources.

Commissioner Munger said that in actuality there will not be significant changes due to the contribution since some programs are ending in the next year. The Commission will still have a significant reserve and revenue to enable it to make meaningful decisions about future expenditures.

Ms. Miller stated that overall the final report shows a full transparency to the Commission of where the financials are and what has been committed over the next 3 years. She noted that as First 5 revenues decline and the commitments to some critical programs from reserves are made, there may be a time in the near future that First 5 will have to operate within projected revenue amounts and adequate reserves.

PUBLIC COMMENT: Jennie Tasheff, First 5 Sonoma, noted the importance of tracking the impact of the new federal tobacco tax since it will have a significant impact on revenue for all commissions. Ms. Perry said that DOF incorporated that impact in their future year projections.

Agenda Item 8 – AB 1422 (Chapter 157) Changes to and Contract Implementation of the Healthy Families Program

Joe Munso, Commission Chair, announced that Commissioners Duterte and Minon recused themselves from this item due to conflicts of interest. Commissioners Duterte and Minon were not present during the discussion.

Chair Munso introduced Lesley Cummings, Executive Director of the Managed Risk Medical Insurance Board, who talked about state budget cuts that left the Healthy Families Program to face a shortfall of \$196 million and solutions that manifested to make the program whole.

Ms. Cummings thanked First 5 California for being the first entity to put funding forward (\$81.4 million to cover the health care coverage of approximately 198,000 children ages 0 to 5) and make possible a solution, which motivated others to participate, most notable the health plans, which agreed to be taxed through January 2011. As a result of the managed care tax, the Healthy Families Program will receive \$97 million this year and approximately that same amount for next year. In addition, the Healthy Families Program made program changes to reduce costs.

Ms. Cummings stated that next year will be a difficult budget year given the state of the economy. However, being able to tell the Board that they were able to avoid disenrollment and ending the wait list was tremendous. She expressed her gratitude to First 5 California for its contribution of \$81.4 million to the Healthy Families Program. It not only was an essential part of the solution, but more importantly, it protected the health coverage for approximately 198,000 children ages 0 to 5.

Ms. Perry expressed her appreciation to Ms. Cummings for explaining the solution to the Healthy Families Program shortfall. She reminded the Commission that in less than 11 months First 5 has contributed approximately \$100 million to the Healthy Families Program, with county commissions contributing a portion of the first \$16.75 million. Ms. Perry commended the county commissions for coalescing around a solution at a critical juncture and partnering with First 5 California to deliver that solution. She said she hopes to find similar ways to partner with county commissions in the future. She also noted the flexibility that is included in AB 1422 for First 5 California that may present opportunities that could be useful in the future.

MOTION/ACTION: In response to the current Healthy Families Program budget deficit of more than \$190 million for Fiscal Year 2009-2010, the Legislature passed and the Governor signed AB 1422, which also included amendments to the California Children and Families Act. In light of these changes to the Act, Commissioner Munger moved that the Commission restate its commitment to authorize up to \$81.4 million to pay the health care premiums and related enrollment expenses in Fiscal Year 2009-10 for eligible children ages 0 to 5 in the Healthy Families Program. The motion was seconded by Commissioner Dartis.

DISCUSSION: Chair Munso, thanked First 5 California on behalf of the Governor and pointed out the importance of insurance coverage for children as the state deals with the H1N1 phenomenon.

Commissioner Sousa noted that AB 1422 was also noteworthy as it included a new tax that was supported by a 2/3 vote of the Legislature.

Commissioner Munger thanked everyone who worked together to find and a creative solution to help save the Healthy Families Program. Chair Munso also thanked former Vice Chair Kears for all of his hard work and his instrumental role on the Commission.

PUBLIC COMMENT: Jennie Tasheff, First 5 Sonoma, reminded the Commission that 29 county commissions with Children's Health Initiatives continue to support programs to cover kids who are not eligible for other insurance programs. This represents another way that county commissions are contributing and collaborating with the State Commission.

VOTE: The motion was approved by a majority vote of the members present. Commissioners Duterte and Minon were not present during the discussion or vote of this item.

Ms. Perry publically thanked and recognized former First 5 California Commissioner Don Attore for his many years of guidance, support, and dedication that has been invaluable to the First 5 movement and to the young children of California. Commissioner Attore expressed his passion about the work and said he is available to be called on for help whenever needed. He reminded the Commission to be guided by the Strategic Plan as they move forward and thanked everyone for the acknowledgement.

Closed Session Agenda Item 9 – Pending Litigation

The Commission met in closed session pursuant to Government Code Section 11126(e) to consider and discuss pending litigation.

Agenda Item 10 – Gaps in Quality Early Learning for Children 0 to 5 and their Families, Project Legacy, and Federal Leveraging Opportunities

Kris Perry, Executive Director, requested the Commission approve the Measurable Program Goals (MPG) and Program Concepts resulting from the Project Legacy process. She noted that the recommendations reflect a holistic approach to children and focus on increasing quality and accountability to ensure optimum school and life outcomes. First 5 used the School Readiness definition for early learning, which encompasses family functioning, child health, child development and systems of care. First 5 grouped the proposed program concepts into categories by recipient: Child, Parent/Family, and Teacher. Ms. Perry said that if the Commission approved these recommendations, First 5 would use the MPG and the early learning Program Concepts to develop quality First 5

California Signature Programs that will ensure accountability for preparing California's children for success in school.

The Commission watched a video of University of Chicago economist James Heckman, a Nobel Laureate, who described the economic return on high quality early investment in children. Highlights and key points of the video:

- Early learning, when implementing quality evidenced-based programs, is one of the most powerful investments we can make with an annual return of approximately 10%.
- The younger a child is at the time of intervention, the greater payoff to a child's positive development and to the well-being of the larger society.
- Early nurturing and positive learning experiences greatly impact future success.
- The returns to society include long-term outcomes, such as higher reading and math achievement, lower rates for special education, 44% lower grade retention rates, higher graduation rates by as much as 29%, increased 4-year college enrollment, higher earnings, and reduced welfare assistance.

Further, Sarah Neville-Morgan, Deputy Director of Program Management, noted from the video clip that convincing economic and human development arguments support the notion that early learning interventions can reduce, if not altogether prevent, adverse circumstances later in life and prepare children for school.

Ms. Neville-Morgan provided background information on Project Legacy and why it was needed.

- In 2007, the State Commission adopted its Strategic Plan which includes strategies that called for convening a program assessment workgroup designed to assess the ongoing viability of First 5 programs.
- This process, known as Project Legacy, served as the initial step for First 5's "Roadmap to the Future" designed to help establish a distinctive set of programs for children 0 to 5 and their families.
- First 5 needed to focus its efforts to ensure strong programmatic outcomes for young children; also, due to declining revenues, First 5 knew that there would not be enough resources to continue supporting programs at existing levels.
- First 5's goal is to support 2 or 3 Signature Programs that will:
 - Close the School Readiness gap;
 - Integrate the latest science and lessons learned;
 - Jumpstart the state's system reform efforts; and
 - Maximize California's share of new federal early learning funds.

The Project Legacy Process

Since the Commission approved a streamlined Project Legacy at its July 15, 2009, Commission meeting, First 5 staff has been implementing an input process that included:

- A panel of parents and experts from early childhood health and education who recommended a comprehensive set of MPG for consideration;

- 3 public input sessions attended by educators, parents, and early learning and health providers; and
- A prioritization survey in English and Spanish completed by over 3,000 respondents.

This critical input led to the identification and prioritization of the MPG in the four School Readiness domains: Family Functioning, Child Development, Child Health and Systems of Care. The MPG will allow First 5 California to demonstrate program outcomes, increase access to services, and increase the quality of programs while addressing the diverse needs of children 0 to 5.

Program Concepts

In order to develop the Program Concepts, First 5 cross-walked the top MPG from the public input process with:

- First 5 California's Needs Assessment that was presented at the July Commission meeting;
- Lessons Learned from current or past programs;
- A research-based 3-tiered approach that also was presented at the July Commission meeting; and
- Other information from research and science.

Using the 18 MPG as guides, First 5 developed program concepts that enable it to demonstrate program outcomes and increase access and quality to comprehensive early learning services. In addition, First 5 will be able to strategically align early learning system reform efforts at the local, state and federal levels.

Ms. Neville-Morgan said that if the Commission approved the Program Concepts, First 5 would take the following steps:

- Develop Signature Programs and an Accountability System
- Obtain Commission approval on Signature Programs
- Release funding mechanisms
- Measure results and continually implement process and program improvement

She reminded everyone that in 1998, voters approved Proposition 10, which articulated that strategies be integrated, comprehensive, and collaborative to enhance optimal childhood development and to ensure that children are prepared and ready to enter school.

Ms. Neville-Morgan highlighted some of the reasons it is critical First 5's investments in early learning begin prenatally, create a strong pre-to-three focus while still supporting preschool age, and incorporate a multidisciplinary focus.

She summarized research which shows:

- The quantity and quality of a child's early language experience, as early as 10 months to 3 years of age, is more predictive of language-related achievement through 3rd grade than the socioeconomic status of his or her parents.
- Approximately 60% of all 3rd graders are not reaching proficient levels in language arts. Nearly 85% of English learners and children of parents who did not graduate from high school are not reaching proficiency levels. Further, about 80% of children who are Latino or economically disadvantaged, and just over 70% of children who are African American, are also not reaching proficiency levels.
- Large populations of children in California face key gaps:
 - 45% of young children live in low-income environments.
 - Only 13% of the children who need early education the most are in high quality programs.
 - Early Head Start serves only 3% of eligible children ages 0 to 2.
 - Head Start serves only 30% of eligible children ages 3 to 5.

New Federal Learning Investments

President Obama has committed to increase federal investments in early learning by \$10 billion a year. This commitment has resulted in:

- \$5 billion in the American Recovery and Reinvestment Act (ARRA), with investments in Head Start, Early Head Start, and the Child Care Development and Block Grant;
- The Early Learning Challenge Fund, which would provide states with \$8 billion over 8 years to increase the quality of early learning programs;
- Continued discussions of higher funding, higher standards and accountability with Early Head Start and Head Start to reach greater outcomes;
- In Race to the Top, early learning being named as a competitive priority with a push for it to be a requirement; and,
- The Head Start Reauthorization Act of 2008, which calls for the Governor in each state to create an Early Learning Advisory Council (ELAC) charged with improving the statewide system of early learning and quality. An ELAC must be in place for any state to apply for Early Learning Challenge Funds.

Transforming California's Early Learning System

In anticipation of the commitment to early learning at the federal level, California recently began a process to create a high quality early learning system that will get children ready to learn and help prevent an achievement gap before they start school.

First 5 supported two key pieces of early learning legislation that were signed by the Governor last year. As a result of this legislation, a 13-member Early Learning Quality Improvement System Advisory Committee (ELQIS), which is supported by First 5 California funds and includes First 5 representation on the Committee, was established and charged with developing policy recommendations and an implementation plan for a Quality Rating and Improvement System (QRIS) to improve early learning quality. Seventeen states already have a state QRIS in place and are ahead of California in their readiness to compete for the new Early Learning Challenge Fund when it becomes

available. First 5 can play a critical role through its future Signature Programs in ensuring California becomes competitive and maximizes its share of new federal investments.

Kris Perry, Executive Director, explained the 3-tiered approach for development of the Commission's signature programs.

- Tier 1 – Reaches the largest group of children and families. Included in this tier are resources and strategies that are universally available programs to help all children, including health access, a network for parenting, and quality early learning programs for children.
- Tier 2 – Broadly targets designated populations in poverty, including programs that include wage enhancements and enrichment programs, such as Head Start and Early Head Start.
- Tier 3 – Targets families with the most risk factors, such as maternal depression, drug/alcohol abuse, foster care, and domestic violence.

The approach will focus on leveraging funds from all sources and organizing programs by participants and recipients of the services:

- The Child – First 5 will develop and implement a national model for a high quality, comprehensive early childhood program to serve the most vulnerable children. This includes developing a program to support children's access to health insurance and core health services.
- The Parent – First 5 will develop a program to support parents in raising young children and in preparing their children for success in school and life.
- The Teacher – This approach will focus on increasing quality by increasing teacher training.

Ms. Perry said that the strategy is to invest in proven programs that help drive the state's early learning systems change effort, and position California to leverage additional funding, especially the federal Early Learning Challenge Fund.

MOTION/ACTION: Commissioner Duterte moved that the Commission approve the Measurable Program Goals and Program Concepts resulting from the Project Legacy process. Staff will use the Measurable Program Goals and the early learning Program Concepts to develop two to three Signature Programs to prepare California's youngest children for success in school with measures to ensure accountability. The Signature Programs shall build upon the existing system, best practices, and, if possible, local, state and federal leveraged funds. Staff shall present further information on these Signature Programs at the January 2010 Commission meeting. The motion was seconded by Commissioner Minon.

DISCUSSION: Commissioner Duterte said it is often difficult for the community to understand the value of early investment since outcomes may not be seen for years. Ms. Perry said it is First 5 California's job to educate people to be patient and also to do a better job of measuring what can be measured along the way.

Commissioner Minon suggested partnering with the National Children's Study. She also questioned how the Commission will determine a budget for the programs. Ms. Perry said they hope to partner on studies through the Center for Results. She said the budget will be determined when staff brings back specific proposals and the Commission decides how to distribute available funds.

Commissioner Thomas said a baseline from existing data would be important and pointed out measures that can then be used, such as the inventory of kindergarten readiness, or data that will be tracked in the new education data system.

Chair Munso reiterated that in January staff will bring back a more detailed picture of proposed programs, how much can be leveraged, and how much the programs can effect change.

Commissioner Dartis said she wanted to see how the strategies in the signature programs connect with hard to reach populations. She also asked staff to look beyond leveraging federal stimulus dollars, which are short term.

PUBLIC COMMENT: Twenty-one members of the public, many of them affiliated with Los Angeles Universal Preschool, spoke in favor of the Commission's continued investment in quality early learning and urged the Commission to continue its support of the work accomplished under the Power of Preschool program.

Other speakers noted the importance of workforce development, including building on CARES; inclusion of children with special needs in quality ECE programs; and linking with existing programs and networks to support parents.

Sheila Kruse, First 5 Tuolumne, urged the continuation of Commission partnerships with small population county commissions, which have demonstrated that a relatively small amount of money can have a very large impact.

VOTE: The motion was approved by a unanimous vote of the members present.

Agenda Item 11 – Smoking Cessation Contract Extension and Funding Approval

Sarah Neville-Morgan, Deputy Director of Program Management, requested the Commission approve an augmentation of its existing agreement for tobacco cessation services with the University of California, San Diego, for up to \$500,000 to extend the services of the California Smokers' Helpline an additional 6 months. The extension will allow First 5 staff to carefully consider how tobacco cessation activities can be integrated with its Signature Programs.

First 5 California began co-funding the Helpline in collaboration with the California Department of Public Health in 2001, and provides approximately \$1 million annually. Over the past 9 years, the Smokers' Helpline has made great strides in advancing the

effectiveness of telephone counseling on tobacco cessation with a protocol that is specific to pregnant smokers and has increased the availability and accessibility of smoking cessation services to pregnant smokers and smoking parents of young children.

MOTION/ACTION: Commissioner Duterte moved that the Commission approve additional funding of up to \$500,000 to extend the current contract for smoking cessation services with the University of California, San Diego, for a period of six months, through June 30, 2010. The motion was seconded by Commissioner Minon.

DISCUSSION: Commissioner Duterte asked how the Commission shares the success of this program with county commissions, noting that it may be something that the counties want to emulate. Ms. Neville-Morgan said that it was accessible to all and that anyone in any county can call and access services.

PUBLIC COMMENT: None.

VOTE: The motion was approved by a unanimous vote of the members present.

Agenda Item 12 – 2010 Commission Meeting Dates and Locations

Marsha Jones, Chief of Legislative and Governmental Affairs, requested approval of the 2010 Commission meeting schedule.

The proposed quarterly meeting schedule suggests three meetings in Sacramento and one meeting in Southern California.

MOTION/ACTION: Commissioner Munger moved that the Commission approve the proposed Commission meeting calendar and locations for the 2010 calendar year. The motion was seconded by Commissioner Duterte.

DISCUSSION: None.

PUBLIC COMMENT: None

VOTE: The motion was approved by a unanimous vote of the members present.

Agenda Item 13 – *Kit for New Parents* – Funding Authorization

Elisa Bupara, Director of Communications, requested Commission approval to increase the current contract with ALOM Technologies by \$5 million for the continued production and distribution of the *Kit for New Parents* through April 30, 2010.

Ms. Bupara explained that at its July meeting, the Commission authorized up to \$16 million and an 18-month extension of the ALOM contract. However, the Department of General Services (DGS), which must approve almost all Commission contracts and bidding processes, rejected the non-competitive bid justification and required the Commission to

revise the request to include only enough funding to continue *Kit* production and distribution through the end of the current contract (April 2010).

Ms. Bupara said that approval of this request would reaffirm the Commission's prior authorization for funds for the same purpose. Even with Commission approval of the \$5 million, there will be a delay until the non-competitive bid is approved by DGS and ALOM can once again begin production. English-language *Kits* may not be available again until early next year.

MOTION/ACTION: Commissioner Dartis moved that the Commission approve to increase the current ALOM contract by up to \$5,000,000 for the continued production and distribution of the *Kit for New Parents* through the current contract end date of April 30, 2010. The motion was seconded by Commissioner Munger.

DISCUSSION: Commissioner Duterte asked whether the distribution of the *Kit* includes educating new parents and caregivers about its contents. Ms. Bupara said most of the distribution is done through the county commissions that have home visiting programs that explain best how to use the *Kit*.

Commissioner Dartis asked if First 5 had an outreach strategy of getting parents to use the Web site since some of the material can be accessed from that site. Ms. Bupara stated that as a result of the *Kit* shortfall, First 5 did not want to promote more demand on the *Kit* that currently can not be met.

Ms. Perry noted that county commissions understood that the delay of the *Kit* was unavoidable and hoped counties could come up with creative solutions. Ms. Perry encouraged counties, who have the capability to store *Kits*, to work with First 5 in order to shuffle *Kits* to other counties in need.

PUBLIC COMMENT: Sherry Novick, Executive Director of the First 5 Association, noted that as county commissions work with birthing hospitals an area of concern regarding the *Kit* was the issue of bottle feeding. She requested that as the internal committee looks at potential future changes to the *Kit*, it ensures the materials keep up with the success First 5 is having in changing systems within birthing hospitals with regard to breastfeeding.

VOTE: The motion was approved by a unanimous vote of the members present.

Agenda Item 14 – Consent Calendar

The Commission considered approval of the consent agenda items:

- July 15, 2009, Commission Meeting Minutes
- August 13, 2009, Special Commission Meeting Minutes

- Ratification of the following agreements: CCFC 7083 A1, 7108 A1, 7120 A1, 7141, 7143, 7144, 7146, 7149, 7154, 7157, 7161, 7163, 7167, 7176, 7179, 7180, 7185, 7187, 7188, 7189, 7190, 7200, CFF 4608, 4632

MOTION/ACTION: Commission Munger moved that the Commission approve the consent calendar. The motion was seconded by Commissioner Minon.

DISCUSSION: None.

PUBLIC COMMENT: None.

VOTE: The motion was approved by a unanimous vote of the members present.

Agenda Item 15 – Adjournment

Commissioner Minon moved for adjournment of the commission meeting. The motion was seconded by Commissioner Dartis and was approved by a unanimous vote of the members present.

The next scheduled Commission Meeting is January 27, 2010, in Sacramento.