



AGENDA ITEM 12
DATE OF MEETING: January 27, 2010
ACTION: X
INFORMATION: _____

First 5 California Signature Programs: Child, Teacher, Parent

First 5 California's programs are needed more than ever as families face unprecedented fiscal challenges. Since its inception in 1998, First 5 California has funded an array of early learning programs and services. It is now time to refine and focus First 5's revenues on the programs and other efforts that have proven to be effective and successful.

At the October 21, 2009, Commission meeting, the State Commission approved the Measurable Program Goals (MPGs) and early learning Program Concepts that resulted from Project Legacy. Staff then used these criteria to develop three proposed Signature Programs designed for specific audiences: Child, Teacher, and Parent. The three Signature Programs build upon existing programs that have proven their effectiveness such as Power of Preschool (POP), Comprehensive Approaches to Raising Educational Standards (CARES), and the Kit for New Parents.

SUMMARY OF REQUEST

In FY 2009-10, First 5 California made substantial and important contributions to children's health. While there is still a recognized need for investments in health, First 5 California is also focusing on its investments in early learning. Staff request Commission approval of three proposed Signature Programs: Child, Teacher, and Parent (see Agenda Items 12a, 12b, and 12c).

There are two proposed phases for the Child Program, with the second phase still under development pending recommendations from the California Early Learning Quality Improvement Advisory Committee (SB 1629, Steinberg, 2008). Phase two of the Child Program will be proposed to the Commission as early as the April 2010 Commission meeting.

The three proposed Signature Programs will:

- Target existing investments on evidence-based, early learning models that have been shown to prepare the most vulnerable children for success in school.
- Position California to maximize its competitiveness for new federal funds.

- Align First 5 California’s investments with a state Quality Rating and Improvement System (QRIS) as recommended by the California Early Learning Quality Improvement System Advisory Committee (SB 1629, Steinberg, 2008).
- Be accountable for quality and outcomes.
- Require a \$52.9 million investment in FY 2010-11.

The following chart outlines the fiscal request for each Signature Program and indicates which investments are necessary to make California highly competitive to receive federal early learning funds. Agenda Items 12a (Child), 12b (Teacher), and 12c (Parent) provide details on program structure, the evidence base, accountability, and alignment with federal and state early learning systems change efforts.

CHILD (12.a)	FY 10/11	FY 11/12	FY 12/13
Programs			
Phase I - PoP Bridge Funding *	\$19,000,000		
Phase II - Quality Early Learning Program *		Up to 50% of Annual Revenue	Up to 50% of Annual Revenue
Infrastructure			
Early Learning Advisory Council *	\$700,000	\$650,000	\$650,000
Kindergarten Readiness Observation Assessment *	\$2,800,000	\$2,600,000	\$2,600,000
Unique Child Identifier*	\$350,000	\$350,000	\$300,000

TEACHER (12.b)	FY 10/11	FY 11/12	FY 12/13
Program			
CARES Plus and Registry *	\$12,000,000	\$12,000,000	\$11,000,000
Infrastructure			
Competencies-Based Career Pathway *	\$1,500,000	\$1,500,000	\$1,500,000
Higher Education System Reform Challenge Grants*	\$7,000,000	\$7,000,000	\$7,000,000

PARENT (12.c)	FY 10/11	FY 11/12	FY 12/13
Programs			
Parent Resource Web site*	\$2,100,000	\$250,000	\$250,000
New Parent Kit	\$6,000,000	\$6,000,000	\$6,000,000
Science Readiness	\$1,000,000	\$1,000,000	

* Necessary to be highly competitive for federal funds

How the Readiness Gap Leads to the Achievement Gap, Resulting in Billions of Dollars in Economic Losses:

The RAND Institute estimates that nearly half of California's children start school behind in reading and, over time, these children fall further behind. This finding is further bolstered by the oft-cited Hart and Risely research, which found that:

At 36 months, low-income children have average vocabularies of 480 words, while high-income children have average vocabularies of 1,100 words.

In the elementary grades, this gap translates to 52% of California 2nd graders and 63% of 3rd graders not achieving grade-level proficiency in English-language arts. One study found that of 50 children who have trouble reading in the first grade, 44 will still have trouble reading in the fourth grade. The achievement gap in the elementary grades is of critical importance because researchers have found that poor academic achievement in elementary school is one of the strongest predictors for dropping out of high school. The economic results are devastating:

Every year, California sustains \$46.4 billion (in 2005 dollars) in total economic losses from each cohort of 120,000 20-year old dropouts.

This is why any intervention that can narrow or close the achievement gap early on and reduce the drop out rate will have significant economic benefits. Studies show that quality early learning programs are the most proven way to reduce the high school drop-out rate.

University of Chicago economist James Heckman, a Nobel Laureate in Economic Sciences, has analyzed early learning investments and found a return on investment of 10% per annum, significantly outpacing U.S. stock markets. Heckman found that early nurturing, learning experiences, and physical health from ages 0 to 5 greatly impact success or failure in society. The returns to society come from long-term outcomes such as: higher reading and math achievement; lower rates for special education; 44 percent lower grade retention rates; higher graduation rates by as much as 29 percent; higher earnings; and less welfare assistance and crime (Heckman, et. al., 2006).

Positioning California to Maximize Its Share of New Federal Early Learning Funds:

During the presidential campaign, President Obama committed to increasing federal investments in early learning by \$10 billion a year. So far, this commitment has resulted in \$5 billion of early learning funds in the American Recovery and Reinvestment Act (ARRA) of 2009, funding increases to Head Start and Early Head Start, and the proposed creation of the Early Learning Challenge Fund (ELCF). The Early Learning Challenge Fund (HR 3221/SAFRA) would provide states with \$1 billion each year to increase the quality of early learning programs, primarily through a Quality Rating and

Improvement System. If passed by Congress, ELCF applications are likely to be due in the Fall of 2010. To qualify for this new funding, California must:

- Establish a State Early Learning Advisory Council.
- Have a QRIS in place, with a plan for moving programs up the rating scale.
- Improve the qualifications and education of early childhood educators.
- Promote understanding among parents of the quality rating scale.
- Implement an accountability system that measures classroom quality and school readiness.

The proposed Signature Programs for the Child, Teacher, and Parent have all been designed to support California in building out the early learning system outlined in the ELCF, thereby making California as competitive as possible for future federal funds.

Aligning with California Early Learning Systems Reform:

On November 9, 2009, Governor Arnold Schwarzenegger issued an Executive Order (S-23-09) establishing the California State Advisory Council on Early Childhood Education and Care (ELAC). Establishing the ELAC enables California to apply for \$10.6 million of federal ARRA funding, as well as the Early Learning Challenge Fund, once it is created. Prior to ELAC's establishment, SB 1629 (Steinberg, 2008), formed the California Early Learning Quality Improvement System Advisory Committee (CAELQIS), which is charged with developing a state Quality Rating and Improvement System. CAELQIS is now a committee of the ELAC, and will help advance the state's collective efforts to develop a high-quality, comprehensive, and accountable early learning system.

THE URGENCY OF NOW

To date, 19 states have a QRIS in place and are ahead of California in competing for new federal early learning funds. Through its Signature Programs, First 5 California can provide the necessary and critical support to the early learning systems change efforts championed by Governor Arnold Schwarzenegger and Senate President pro Tem Darrell Steinberg.