



AGENDA ITEM: 4
DATE OF MEETING: April 29, 2009
ACTION: X
INFORMATION:

CONSENT CALENDAR

A. SUMMARY OF REQUEST:

Approve the following consent agenda items:

1. January 28, 2009, Commission Meeting Minutes
2. Ratification of the following agreements:

Contract Numbers:

CCFC 6976 A2
CCFC 7084 A1
CCFC 7086 A1
CCFC 7111 A1
CCFC 7112 A1
CCFC 7117 A1
CCFC 7132
CCFC 7133
CCFC 7137
CCFC 7139
CCFC 7140
CCFC 7142

B. ATTACHMENTS:

Attachment 4a: Draft of January 28, 2009, Commission Meeting Minutes
Attachment 4b: Agreement Ratifications

**FIRST 5 CALIFORNIA
CHILDREN AND FAMILIES COMMISSION**

January 28, 2009

**Holiday Inn Capitol Plaza
300 J Street
John Q Ballroom, 16th Floor
Sacramento, CA 95814**

MINUTES

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

Vice Chair David Kears called the meeting to order.

Commissioners Present: David Kears, Vice Chair
Carla Dartis
Maria Minon, M.D.
Molly Munger
Eleni Tsakopoulos-Kounalakis

Commissioners Absent: Don Attore

Ex Officio Member Absent: Dr. Glen Thomas
Joe Munso

Vice Chair Kears welcomed commission members and announced that Governor Schwarzenegger appointed Dr. Glen Thomas as the new Secretary for Education. Dr. Thomas has more than 30 years of experience as a teacher and leader at the local, county and state levels. Vice Chair Kears welcomed Dr. Thomas as an Ex-Officio member of the First 5 State Commission.

Vice Chair Kears expressed concern regarding the state’s fiscal crisis that challenges First 5 California’s vision to ensure that all children enter school healthy and ready to learn. He stated that vulnerable populations will be harmed as a result of the state budget and emphasized the importance of First 5 helping to minimize the impact on people who need services the most.

Agenda Item 2 – Executive Director’s Report

Kris Perry, Executive Director, provided an update and reported on the following items:

Vice Chair Dave Kears announced his retirement from Alameda County after 35 years of service. Ms. Perry thanked him for his work in the county and for his counsel and leadership as a First 5 Commissioner.

First 5 California continues to work on protecting Proposition 10. Ms. Perry pointed to several efforts that demonstrate the value of First 5:

- 165,000 children will not be placed on a Healthy Families waiting list because of the remarkable effort of First 5 California and county commissions and our tremendous support of that program.
- First 5 continues to institute and implement high quality public preschools throughout the state.
- First 5 has provided counsel to not only the incoming federal administration but also to the state administration and their attempts to improve quality preschool and health care services for the State of California.

State Budget

The state budget, as proposed by Governor Schwarzenegger, calls for the elimination of First 5 California as well as the redirection of half of the funding of county commissions to support children's programs administered by the Department of Social Services. Every funding stream, including Proposition 10, is being considered to help with the \$40 billion budget deficit faced by the State of California. First 5 California has expressed the desire to be a part of any solution that would help alleviate some of the problems in order to protect the state's most vulnerable children.

First 5 really stepped up over a year ago when \$20 million was committed to expand health care for young children. In December 2008, together with the county commissions, First 5 looked at how to help the Managed Risk Medical Insurance Board's (MRMIB) Healthy Families Program. A much bigger solution is needed. During very difficult times the most vulnerable among us get the least help. First 5 has stated publicly that this is the absolute worst time to redirect Proposition 10 funds as First 5 is a safety net program for the state's most vulnerable kids. Other safety net programs are being cut and First 5 needs to find ways to help those programs as well. Ms. Perry stated that difficult times present opportunities for solutions. The MRMIB solution laid the groundwork and First 5 will continue to look for ways to help with existing programs that are at risk.

With the assistance of county commissions, the Association and their leadership around local programs, as well as state programs that are implemented in those counties, First 5 is hopeful that it can present a solution to address the state's budget deficit, as well as presenting a package of value that protects the most vulnerable. These children need Proposition 10 programs and they need those other programs as well.

Partnerships and Outreach

As of January 27, 2009, 37 county commissions approved more than \$13 million in revenue to help support the Healthy Families Program allowing a waiting list for enrollment for children 0 to 5 to be averted. Letters of gratitude were received from The Children's Partnership, Children Now, Children's Defense Fund of CA, PICO California, United Way of California and California Children's Health Initiatives, thanking First 5 California and county commissions for ensuring thousands of California's youngest children are not denied health coverage.

The Obama-Biden Transition Team is very supportive of early education. First 5 California hopes that the stimulus package and other federal legislation will help relieve the burden on California and demonstrate the value early of education and health care services in improving the outcomes for children and reducing the achievement gap.

First 5 staff and Commissioner Munger participated in a meeting with renowned experts from nine other states, to share knowledge, experience and expertise, and to give advice as a collective group of states to the Transition team on early childhood development and early education issues.

Federal funding for early learning will increase the expansion of Head Start, Early Head Start, SCHIP and programs that are consistent with First 5's mission to protect the most vulnerable children in California through quality health and education programs. The stimulus package may also include further funding that is consistent with the First 5 mission, which presents the opportunity for First 5 to provide assistance in leveraging those dollars.

Administration and Finance

Ms. Perry was pleased to announce that the contract with MRMIB was approved.

After many challenges, First 5 has a fully-executed contract with Fraser Communications. Fraser Communications is based in Los Angeles and has extensive experience in social-marketing campaigns. First 5's Communications Team will convene a series of meetings with Fraser and our Public Education and Outreach Committee to develop a three-year media plan, as well as a plan to identify and target hard to reach communities throughout the state as required by our Strategic Plan.

In November 2007, this Commission approved up to \$3.5 million for the small population counties, not to exceed \$3.5 million annually for Fiscal Years 2008-09, 2009-10 and 2010-11, as well as authority for Commission staff to secure outside expertise to update the funding model to support future determinations of eligibility and augmentations for small population counties.

First 5 California is contracting with the Board of Equalization to develop funding model options and recommendations. Staff will reconvene the Small Population County Workgroup to discuss these options and present to the Commission in July 2009 a recommendation for the adoption of a new model for support of small population counties.

First 5 California is required to include a report prepared by the State Controller's Office (SCO) entitled: *Results of Audit Oversight of Local Commissions*, with its Annual Report to the Governor and Legislature. In preparation for sending this report, Ms. Perry and Commissioner Attore met with State Controller John Chiang and Sherry Novick to discuss the preparation of a supplemental letter to accompany the SCO Report. Ms. Perry reported that First 5 now has a letter signed by the State Controller that makes clear the only deficiencies noted in the report are those that relate to how the independent county auditors presented the information in their audit reports. The letter

from State Controller Chiang to Vice Chair Kears thanked his office, First 5 California and the county commissions for their work on the expanded audit and congratulated everyone involved on the smooth transition to the new accountability reporting system. Ms. Perry thanked Ms. Novick for her work on this matter. She also congratulated the counties not only on their efforts to do the expanded audit, help with MRMIB and brainstorm solutions to help protect Proposition 10, but also for their ongoing support of the work that is done as a collective body on First 5 and the important work they do for young children.

DISCUSSION: Commissioner Tsakopoulos-Kounalakis commented that her role on the Commission is to bring her business background to bear on the expenditure of funds. She feels the Commission's mandate is to use its funds where kids would otherwise fall through the cracks, and emphasized that the most important top two priorities for children 0 to 5 are high quality preschool and high quality health care.

Commissioner Minon stated that as a pediatrician, she has seen increased numbers of children without insurance who are unable to access the safety net. She said First 5 needs to use programs that are established and increase the number of children who are served by them.

Commissioner Dartis noted that needs must be felt in an acute way at the local level and called for counties to work in partnership with the State Commission to preserve the core mission of First 5, even if it means hard decisions and compromise.

Commissioner Kears said the Commission supports Ms. Perry and First 5 staff to work with whatever emerges in the budget process to preserve and protect programs for vulnerable children.

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 reviewed ways in which the Association supports county commissions in their efforts to meet the needs of children and families who would otherwise fall through the cracks:

- The Association launched a new partnership with the California Dental Association (CDA) to focus on the efforts of county commissions in the oral health arena. Nearly every county commission has an explicit focus in pediatric oral health, as there is no pediatric oral health for low-income children in most counties. As a result, there are a tremendous number of children falling through the cracks. First 5 provides the only dental care for young, low-income children and has filled that gap. County commissions and CDA staff reviewed findings from a survey of county activity, discussed potential partnerships with other associations and dental organizations, and shared common challenges and lessons learned.
- The Early Childhood Mental Health project, funded by the California Endowment has convened teams from 20 counties, including county commission staff, mental

health and public health directors, pediatricians, and other local partners. The group is focused on expanding access to developmental screening and behavioral health treatment by focusing on maximizing reimbursement opportunities.

- The Association is awaiting notification from the Department of Public Health on the third year of funding for statewide support of childhood nutrition and anti-obesity information through the distribution of Sesame Workshop's Healthy Habits for Life kit to 70,000 families through child care providers, family support centers, and school readiness programs.
- The Association is mid-way through a two-year grant from the David and Lucille Packard Foundation to support preschool expansion. This year the project will conduct a survey documenting the impact of expansion efforts over the past five years and develop a set of recommendations based on local experience for the Quality Improvement Rating Systems.
- First 5 funds are eligible to draw down matching federal funds. However, that practice was threatened by proposed federal and state rule changes last year. The federal threat dissolved with the change in administration and the Association successfully worked with the Department of Health Care Services to ensure rules were not written to undermine county commissions in bringing valuable federal funds into the counties.
- Ms. Novick stated that county commissions are units of local government subject to the needs of local counties and fill safety net gaps where needed.
- There was a consensus among county commissions to continue lobbying efforts and discussion with legislators to ensure legislators know what will be lost in their districts should Proposition 10 revenues be significantly reduced.
- The Association is working to minimize damage to Proposition 10 by pursuing two options:
 1. Avoid a ballot initiative through a voluntary contribution of local revenues, or
 2. Modify the Governor's ballot initiative proposal by ensuring any diversion of Proposition 10 funds is time limited.
- Ms. Novick gave special thanks to Commissioner Attore for his help in arranging a meeting with State Controller Chiang to obtain a letter clarifying the findings of the Controller's office regarding the expanded audit and offering congratulations for the first year's implementation.

PUBLIC COMMENT: None.

Agenda Item 4 – Committee Reports

4a – Research and Evaluation

Stacie Sormano, Deputy Director of Research and Evaluation, reported that the Research and Evaluation Committee met to discuss the annual report. Committee members provided excellent input on what should be included in the report.

PUBLIC COMMENT: None.

4b – Program Committee

Sarah Neville-Morgan, Deputy Director of Program Management, reported that the Program Committee met to discuss the Annual Statewide Conference, Project Legacy

and workgroup members, and the Quality Improvement Rating System. Committee members supported the Quality Improvement Rating System come before the State Commission as an action item.

PUBLIC COMMENT: None.

Agenda Item 5 – Legislative Update

Marsha Jones, Chief of Legislative and Governmental Affairs, provided a brief update on state legislation and commended Ms. Perry for her efforts to build a relationship with the Legislature, which has prepared First 5 for the state's current fiscal crisis that is looking at Proposition 10 funds as a partial solution to the budget deficit. Ms. Jones stated that these important relationships are exemplified by the following:

- The State Commission's pledge of \$20 million for a statewide health care reform for children
- Support of SB 1629 (Steinberg), which will be funded by First 5 California
- Ms. Perry's appearance before MRMIB to offer \$16.75 million to prevent a waiting list for children 0 to 5, for which MRMIB had no solution prior to Ms. Perry's appearance
- Ms. Perry's appearance before a Senate Budget Subcommittee on Health and Human Services where she faced tough challenges from Senators Dave Cox and Roy Ashburn
- Ms. Perry's meeting with Senator Mark Leno, the current chair of that subcommittee to follow-up and give examples of First 5 California's good work

Ms. Jones stated that First 5's advocates are enthusiastic about protecting and saving Proposition 10 as the children are the beneficiaries of those dollars and it is up to First 5 California to ensure that it is intact for them.

Ms. Jones also reported that SB 1 (Steinberg), the children's health reform bill, will be heard soon in its first committee. Ms. Jones will request a meeting of the State Commission's Legislative Committee for a recommendation of support.

PUBLIC COMMENT: None.

Agenda Item 6 – Mid-Fiscal Year 2008-09 Update

Terry Miller, Chief of Administration, provided a fiscal update highlighting key aspects of First 5 California's revenue projections, trends and proposed spending plan for Fiscal Year (FY) 2008-09 through FY 2010-2011.

Ms. Miller provided an overview of First 5 California's funding structure and the process of how Proposition 10 funds are collected through the Board of Equalization (BOE) and transitioned down to the statutory accounts.

Tax revenues collected are consistently higher during the first and fourth quarters. Counties experience greater fluctuation as their revenues are affected by changing birthrates, as well as changing rates of sales and tax collection.

First 5 California transitioned to the Department of Finance's (DOF) cigarette and tobacco product tax projection model. DOF releases tax revenue projections in January and updates its projections in May. The revenue projections are critical to state and county commissions, as actual planning is based on projected revenue. When revenue adjustments occur, spending plans are also typically adjusted. The model previously used underestimated revenues, while the current DOF model overestimates revenues.

First 5 California received the updated five-year tax revenue projections from DOF. The projections decreased in the Governor's Budget and First 5 staff is working to calculate the impact of the decreased revenues on the funding projected for state and county commissions. First 5 California's spending plan will be adjusted with the revised figures and any significant changes will be reported to the Commission.

For FY 2002-03 through FY 2006-07, actual revenue received exceeded projected revenues. Beginning in FY 2007-08, the first year First 5 used DOF's projection model, actual revenue received was less than the revenue projected.

The average revenue received during the first six months of this year declined by 7.38 percent from the amount received the first six months of last year. Projections indicate that tobacco taxes will continue to decline.

First 5 California investments consist of cash in excess of current needs on deposit in the Surplus Money Investment Fund (SMIF). All earning derived from investments of the SMIF are apportioned to the contributing fund as defined in the Government Code. The SMIF interest is deposited into First 5 California's accounts quarterly. Because of the varying nature of interest earnings, First 5's spending plan projects SMIF at 1.7 percent annually.

The Governor's proposed FY 2009-2010 Budget reflects reductions in First 5 California funds to align with his proposal to eliminate the State Commission and to reduce revenues to the county commissions by 50 percent. DOF acknowledges that implementation of this proposal would require voter approval. The fund condition statement presented in the Governor's Budget does not include any operational reserve.

The spending plan for FY 2008-09 through FY 2010-2011 includes all approved State Commission funding obligations. The obligation amount does not include a reserve or revenue for each account, which is recommended by the Governmental Accounting Auditing and Financial Reporting Guidelines. Because of the regular fluctuations in cigarette and tobacco product revenues, First 5 staff will be recommending to the Commission a reserve factor for future spending plan reporting.

The majority of First 5 California's annual expenditures support the investment of program development. The amount of funds obligated from the current year through FY 2010-11 show a decline in fund commitments. This decline correlates with programs scheduled to expire. First 5 California's Project Legacy effort will evaluate and make recommendations for future programs looking ahead to create First 5's "Roadmap to the Future." There will be a transition period between programs ending and new program

development. Once the new programs have been developed and implemented, First 5 California will experience a significant decline in fund balances. During this interim period and time of economic uncertainty for California families, First 5 will seek out opportunities to meet the needs of children 0 to 5 and their families.

DISCUSSION: Vice Chair Kears stated that from a health perspective, it was positive that revenues are declining as that indicates tobacco cessation programs are working. First 5 eventually will want to transform its current funding source into a new funding source. Vice Chair Kears stated that it was important for First 5 to demonstrate that its investments are worth support from a different and more stable funding source.

PUBLIC COMMENT: Sherry Novick stated the good news coming out of Washington D.C. is that SCHIP is likely to pass, which includes a 0.61 cent increase in the tobacco tax. Ms. Novick recommended that the state and counties work together to determine out what the impact will be with all of the collective planning.

Ms. Perry stated that First 5 California estimates the impact of the new federal tax, if it passes, to be approximately a \$60 million reduction annually in Proposition 10 tax revenue.

Agenda Item 7 – Strategic Plan Annual Review

Kris Perry, Executive Director, reported on the progress and first annual review of First 5 California's Strategic Plan.

Ms. Perry reported that during the last six months, First 5 California has made considerable progress in every strategic goal area and is poised to meet every goal as it continues to partner with stakeholders and develop the infrastructure for programs that will lead us into the future. Ms. Perry listed the five Strategic Goal Areas of the Strategic Plan:

1. Focus on Policy Development
2. Invest in Program Development
3. Broaden Public Awareness
4. Enhance Research and Evaluation, and
5. Strengthen Organizational Operations and Systems

Objectives are due semi-annually within each calendar year. First 5 California has completed 100 percent of the 2008 objectives and 48 percent of the 2009 objectives.

Among the achievements accomplished by First 5 staff:

Objective 3.3.1 – Present First 5 California projects at two or more national events annually to broaden public awareness

- First 5 staff presented at the Zero to Three National Training Pre-Institute on "Building Synergy to Achieve a Common Vision in California." The host committee included representatives from the Buffett Early Childhood Fund and Ounce of Prevention Fund.

- First 5 staff presented on the Comprehensive Approaches to Raising Educational Standards (CARES) program model at the National Association for the Education of Young Children (NAEYC) Conference.
- The contractor for the Special Needs Project presented at the Zero to Three National Training Institute on "Identifying Promising Practices in Early Identification."
- First 5 staff presented "Health Access Evaluation Information" at the American Evaluation Association conference in Denver, Colorado.

Objective 5.3.3 – Develop and implement a comprehensive database/tracking system for all contracts

- A new fiscal tracking system was developed for contracts, purchase orders and contract amendment information. The new system houses all current information on these three components and operates alongside existing systems.

Objective 5.4.1 – Develop a plan to address the technology needs of First 5 California

- First 5 staff developed and approved an integrated plan to address its Information Technology needs.

The next set of objectives has been realigned. In implementing the Strategic Plan, First 5 has encountered administrative issues that have impacted the timeline for some objectives. In other cases, it made sense to change the timeline to realign the objectives to coincide with other business processes.

Objectives 3.1.1 and 3.1.2 – Develop and implement a comprehensive, three-year media plan and grassroots public education campaign

- Although considerable progress has been made on these objectives, completion dates were shifted to June 30, 2009. Despite an initial RFP protest, in December First 5 executed a contract that will allow us to meet this new timeline. First 5's Communications Team will meet with the contractor to discuss the three-year media plan.
- First 5 also entered into a contract to identify hard-to-reach populations across the state and how best to communicate with them. Once there is a viable strategy in place, First 5 will collaborate with both contractors on a comprehensive, grassroots public education campaign.

Objective 4.1.1 – Secure an information technology vendor to build a comprehensive data system to integrate First 5 data

- To accommodate the work process, First 5 has realigned the completion date for this objective to September 30, 2009. The RFP to secure a vendor to build the Practice, Research and Outcomes 0 to 5 (PROOF) system to support the Center for Results was released in December and draft proposals are due in March. The Department of General Services will be facilitating the procurement process and a contract should be awarded in late June 2009.

Objective 4.3.3 – Issue a report annually that includes trends, program outcomes and policy recommendations

- The completion date for this objective was moved to April 30, 2009. This report will provide Project Legacy Workgroup members with information that will focus our policy agenda, develop a research agenda, and make impartial, informed recommendations as new programs are developed. The Workgroup's efforts will allow First 5 to focus on impacting a targeted number of measures and to identify the most impactful program components to incorporate into future First 5 Signature Programs and Pilot Projects.
- In January 2009, First 5 entered into an agreement with a contractor who will conduct and complete this analysis by May, allowing First 5 to use the information in the Project Legacy process.

Although the next objectives are complete, First 5 California will continue to partner with stakeholders to further our mission and enrich the lives of California's youngest children and families.

Objective 1.1.1 – Obtain at least 25 memberships and annually participate in state and national organizations that emphasize early childhood development

- Ms. Perry and First 5 staff met with Andrew Signey, Assistant Secretary, California Health and Human Services Agency, regarding the California Child Welfare Council and will participate in two committees:
 1. Prevention/Early Intervention, and
 2. Child Development/Successful Youth Transitions

Objective 1.1.2 – Seek advisory representation on three nationally affiliated groups or projects

- In July 2008, Ms. Perry reported that this objective had been accomplished; however, First 5 continues to participate with both state and nationally affiliated groups and projects such as the Zero to Three National Training Institute and NAEYC.
- In December 2008, Ms. Perry was invited to Washington D.C. by President Obama's transition team to participate with representatives from across the nation to discuss early childhood development goals.

Objective 1.2.2 – Conduct post-program assessments; determine viability as a statewide program and advocate for statewide implementation

- First 5 published its 2008 Power of Preschool (PoP) Demonstration Program Progress Report last November. The report is available on First 5's Web site and copies of the report were distributed to all counties. First 5 will use the lessons learned from PoP to inform Project Legacy, make program recommendations for statewide policy development, and advocate for a sustainable statewide funding source.
- First 5 is supporting the implementation of SB 1629, which seeks to develop a framework for improving quality preschool. The development of a Quality Rating Improvement System (QRIS) plan not only builds off the quality work of the PoP Program, but also fits with the pending federal landscape.

Objective 1.3.2 – Partner with health care policy advocates to support quality health care for children 0 to 5, including workforce development, and health care systems reform

- First 5 committed to protect the most vulnerable children in California by supporting MRMIB with an investment of \$16.75 million in the Healthy Families Program. Enrollment in the program was going to be capped due to the budget crisis, and 65,000 infants and children ages 0 to 5 were at risk of being placed on waiting lists for health coverage. First 5 initiated a collaborative effort with county commissions while simultaneously working with state control agencies and MRMIB in negotiating an agreement that would meet their deadline of February 1, 2009.
- First 5 California will co-sponsor the "California Childhood Obesity Conference" in June, which will focus on issues, strategies, and programs related to childhood obesity.

Objective 1.4.2 – Participate as a partner in a statewide effort to increase quality, access and/or availability of early care and education, such as preschool, infant/toddler care, or school readiness programs

Ms. Perry highlighted four accomplishments in this area:

1. First 5's Program Management Division staff are leading the planning and coordination of the 2009 First 5 Annual Statewide Conference, which will be held at the Hyatt Embarcadero Hotel in San Francisco on April 15 and 16. Keynote speakers will include:
 - Education activist and best-selling author Jonathan Kozol
 - Jessie Rasmussen, Vice President of the Buffett Early Childhood Fund
 - Barbara Bowman, founder of the Erickson Institute, and
 - Joan Lombardi, a well-respected researcher in infant and toddler brain development
2. First 5 partnered with the California Department of Education to develop guidelines that describe the knowledge and skills preschool teachers need in order to support the development and learning of our youngest children.
3. Staff also joined with Dr. Thelma Harms and others to establish "Train the Trainers" programs promoting the use of three classroom quality assessment tools.
4. Water Cooler discussions, which are designed to explore joint advocacy efforts for children 0 to 5. Stakeholders gather to explore best practices, consider information from national and state experts, review available data, and formulate policy recommendations.

Objective 1.5.2 – Include family self-sufficiency information in First 5-funded programs

- Family self-sufficiency is supported through programs and services within First 5's School Readiness Program and Special Needs Project.
- Information is regularly provided to counties and families in a variety of ways. Two examples include:
 1. First 5 California's *Kit for New Parents* - The *Kit* provides information on the care of new babies and children age 0 to 5, including referrals to programs that

benefit families. Last November, First 5 released the *Kit* in four new languages: Mandarin, Vietnamese, Cantonese, and Korean.

2. We-Connect - A statewide effort to connect families with public and private programs and resources.

Objective 2.1.1 – Convene a First 5 California legacy programs assessment workgroup to develop criteria for improving the program

- The Commission approved First 5's Project Legacy process and workgroup categories at its September meeting. First 5 has solicited input from stakeholders on potential workgroup members and selected invitees for a process that will begin in May. Letters will be sent to invitees and First 5 anticipates announcing the make-up of the workgroup in March. The workgroup will convene between May and September this year to develop recommendations to staff. It is anticipated that final recommendations will be presented at the October 2009 Commission Meeting.

Objective 3.2.4 – Enlist the support of at least two partners to increase parent education

- Although the projected completion date is March 31, 2009, work on this objective continues. First 5 released a new study that found young children realize the importance of eating fruits and vegetables and frequently prefer them to candy. First 5 has partnered with Albertsons supermarkets to distribute free bilingual mini cookbooks. The healthy recipes are easy and inexpensive and will increase parent education and awareness about healthy eating.

PUBLIC COMMENT: Commissioner Dartis was impressed to see the progress on the Strategic Plan and asked how the impact and quality of its results will be measured. Ms. Perry said the plan does not currently include that objective, but it can be added, especially in the later years of the plan when fewer objectives are left to be met.

Vice Chair Kears said the new fiscal environment may require re-evaluation of the Strategic Plan. Ms. Perry said a structure is in place through Project Legacy to address the changing fiscal climate.

Commissioner Dartis noted that the Project Legacy workgroup can also consider new factors such as the federal stimulus funds.

Agenda Item 8 – Early Learning Quality Improvement

Sarah Neville-Morgan, Deputy Director for Program Management, requested Commission approval to support the Early Learning Quality Improvement System Advisory Committee (Advisory Committee).

At the October 2005 Commission Meeting, the State Commission authorized up to \$10 million for quality enhancement funding under the Power of Preschool (PoP) Program. These funds are used in areas that include technical assistance, workforce development, research, and quality improvement efforts.

First 5 staff requested that, beginning in February 2009, a onetime contribution of up to \$1 million of the quality enhancement funds be allocated to support the Advisory Committee and the authorization for use of the funds be extended through June 30, 2011. Ms. Neville-Morgan noted that funding authorized for this purpose does not include funds from other sources or partners for this project.

The Advisory Committee, established as a result of Senator Steinberg's SB 1629, is charged with developing the policy and implementation plan for a statewide Early Learning Quality Improvement System (QRIS). It will provide interim and final reports on its findings and recommendations to the Legislature and the Governor with a final plan due December 31, 2010.

Members of the Advisory Committee will consist of directors, chairpersons, and/or their designees from the offices of the Superintendent of Public Instruction, Secretary of Education, President pro Tempore of the Senate, Speaker of the Assembly, Department of Finance, Department of Social Services, the Governor's Office, and First 5 California, as represented by Executive Director Kris Perry.

Ms. Neville-Morgan provided background information, including:

Power of Preschool Demonstration Programs

- In 2003, based on compelling national and state research that indicates the importance of quality preschool and early learning for young children, the State Commission authorized a substantial investment to promote preschool opportunities and established the Power of Preschool Demonstration Programs for California's children with the goal of providing voluntary, free and high-quality preschool for 3- and 4-year old children.
- First 5 California provides enhancement funding to raise the standards of preschool programs in partnership with nine county commissions that include: Los Angeles, Merced, San Diego, San Francisco, San Joaquin, San Mateo, Santa Clara, Ventura and Yolo.
- PoP provides the blueprint for making high-quality preschool universally accessible to all preschoolers and focuses on developing free programs in underserved and low performing school communities at a system-wide level.
- First 5 state and county commissions just concluded the third year of operations. Over this three-year period, the nine participating counties served more than 14,000 children in 579 sessions.
- The high quality and success of the PoP Programs are highlighted in several documents, which includes not only First 5's PoP Progress Report and soon-to-be released Pop Meta-Analysis Report, but also a RAND study that identified findings related specifically to the PoP Demonstration Programs in San Francisco and San Mateo counties (June 2008, RAND Study, *Prepared to Learn: The Nature and Quality of Early Care and Education of Preschool-Age Children in CA*).
- Findings from the RAND Study state that "attention to quality can pay off." The study found that these counties offered further indication that "improvements are possible when quality is emphasized, the technical support needed to get to the highest quality level is supplied, and a financial reward for achieving higher quality is available."

Ms. Neville-Morgan stated that a quality environment is associated with high language, academic and social skills as well as fewer behavior problems, all of which are important areas for later school and life success.

- All of these components and services are available in QRIS systems implemented in other states.

SB 1629 and Partnering with the California Department of Education (CDE)

- In March 2008, the State Commission formally took a support position on SB 1629 (Steinberg), which established the Early Learning Quality Improvement System Committee to develop a framework for improving quality 0 to 5 programs.
- The provisions of the bill require the Advisory Committee to analyze the existing early care and education infrastructure and identify the strengths, gaps and barriers to achieving higher levels of quality.
- To move forward as advocates of children 0 to 5, in the midst of a state budget crisis, the Legislature asked First 5 California to partner with the CDE's Child Development Division to support and assist in the establishment of this advisory committee.

First 5 California is grateful to Senator Steinberg and his staff for an inclusive and collaborative process. First 5 was able to bring to the table its expertise and lessons learned from its PoP programs as the legislation was crafted. In tight budget times, this legislation brought partners together to work collaboratively to move forward on this system.

The work of the Advisory Committee is the next step in implementing the vision of the PoP Program by raising preschool standards and making it more sustainable and accessible to children statewide. It also aligns with several First 5 goals, including the California Children and Families Act, First 5's Strategic Plan, and findings from the PoP Demonstration Program.

MOTION STATEMENT

Commissioner Tsakopoulos-Kounalakis moved that the Commission approve up to \$1 million to support the Early Learning Quality Improvement System Advisory Committee established by SB 1629, Chapter 307, Statutes of 2008. The motion was seconded by Commissioner Munger.

PUBLIC COMMENT: Camille Maben, Director of CDE's Child Development Division, spoke in support of the QRIS and thanked the Commission and First 5 California staff for the partnership and work on this important issue. Commissioner Dartis commended Ms. Maben for her outstanding work.

Sue Allen, a kindergarten teacher and Vice Chair of the Early Childhood Education Committee for the California Teachers Association, urged the Commission to support this issue.

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

Agenda Item 9 – Annual Report (Fiscal Year 2007-08)

Stacie Sormano, Deputy Director of Research and Evaluation, presented Commissioners with First 5 California's Fiscal Year 2007-08 Annual Report.

The 2007-08 Annual Report is the second report issued under new reporting guidelines. It provides an overview of First 5 California, a summary of activities related to mandated services, a synopsis of First 5 programs, and an overview of services provided by county commissions.

First 5 California revised the highlight section in response to the Commission's request last year to provide more trend data and context so that it can tell the story of how First 5 programs impact the big picture for California's children. The highlight section covers two of First 5's focus areas: health and child development, and First 5's demographic reach. The report also includes the following:

- New evaluation data related to First 5 CARES and Power of Preschool programs
- Appendices that list matching fund programs and provide definitions of the focus areas and services
- The State Controller's audit oversight report on county commissions, which is now a required part of the Annual Report.

In order to avoid duplicative numbers, as many families receive more than one service, the Annual Report provides the number of services provided, rather than the number of children and families served. In the future, First 5 will utilize the new PROOF system which will determine the number of children served for all First 5 programs rather than services provided.

The Annual Report highlights commission-funded programs that demonstrate First 5's ability to create a system greater than the sum of its parts, including the Healthy Kids program and the Power of Preschool Demonstration Project.

Although data from the California Health Interview Survey shows that the availability of private insurance for children ages 0 to 5 has declined since 2001, the rate of uninsured children has held constant. First 5 state and county commissions have played an important role in making this happen. First 5's Health Access Program leverages funding from multiple sources to provide children at 300 percent of the federal poverty level and below with comprehensive health, dental, and vision insurance. First 5 provides the vast majority of funding to support the 0 to 5 population allowing philanthropic organizations, such as the California Endowment, to more fully support children beyond age 5. This structure maximizes resources to ensure the greatest program reach. The program also leverages the skills of staff at the California Children's Health Initiative, which links families to the appropriate public insurance program. Every Health Access program component supports existing systems, which means that more First 5 funds go directly to supporting insurance for children, rather than into developing an administrative infrastructure.

Last year, First 5 insured more than 16,000 children ages 0 to 5 through Healthy Kids. In total, by leveraging that funding, Healthy Kids provided insurance to more than 80,000

children statewide. Beyond providing access to healthcare, each year Healthy Kids saves more than \$7 million through avoided hospital costs. This is an important finding as it demonstrates a 25 percent decrease in unnecessary hospitalizations for children.

The PoP program provides free, voluntary, high-quality, part-day preschool to assist children in becoming effective learners who are personally, socially, and physically competent so that they are ready to transition into kindergarten. Participating sites must maintain at least a 5.5 out of a possible score of 7 on the Early Childhood Environment Rating Scale or ECERS, and teachers must attain specific educational levels depending on their classroom role. Ms. Sormano was pleased to report that all of First 5 sites met or exceeded these criteria and demonstrated some very compelling outcomes. Data revealed that 323 children scored at the very highest level at the beginning of the year. That number increased to nearly 2,200 children by the end of the year, showing a 681 percent improvement in children's learning effectiveness.

Data revealed that more than 184,000 children 0 to 5 and their families received resource and referral services that impact systems of care, improve family functioning, child development and child health. First 5 Orange County funds Project Connections Family Resource Centers, providing referrals to health care and insurance, health education, in-home support services, and parenting classes. Based on survey information, First 5 Orange County found that the Centers' guidance helped to increase those publically insured by 25 percent, improve the rate of those in a medical home by 47 percent, and increase the number of children with all recommended immunizations by 27 percent.

Last year, First 5 county commissions provided 180,000 children 0 to 5 and their families with oral health services. The Kern County Children's Dental Health Network is one example of a county oral health program. It provides mobile dental services to children at their school, including oral screening and education, plaque level assessment, and fluoride and sealant application to preschool and kindergarten children. All services are free. During FY 2007-08, 5,600 children 0 to 5 received oral health education in their classrooms. In addition, more than 3,000 children were assessed and received a plaque index, which is a percentage based on the number of tooth surfaces present and the number of tooth surfaces with plaque. A higher score indicates a greater presence of plaque. A sample of children were selected for a follow-up assessment and those children saw a 35 point drop in their level of plaque. The 2000 Surgeon General's report on oral health identified early childhood carries as a "silent epidemic" of dental and oral diseases impacting 28 percent of all children ages 0 to 5. Finally, Ms. Sormano reported on the county commissions' expanded audit.

In 2005, the Legislature mandated an expanded audit and compliance for each of the county commissions' policies and procedures related to:

- Contracting and procurement
- Administrative expenditure limits
- Conflict of interest
- Staff compensation, and
- Long-range financial planning

The process went smoothly, as was evidenced by a quote from Controller Chiang's transmittal letter to First 5, which states "My staff worked diligently to develop standards and procedures for the expanded audit under a tight timeline mandated by the legislation. The county commissions similarly worked under this deadline to develop and adopt mandated policies, hold all the required public hearings, and undergo the first round of expanded audits. As required by law, our annual report summarizes the results of our review and assessment of the audit reports issued by the independent auditors. We wish to emphasize that the deficiencies noted in our annual report focus exclusively on how the independent auditors presented information in their audits. I congratulate everyone involved in the smooth transition to this new accountability reporting system and look forward to our continuing collaboration."

Ms. Sormano was pleased to announce that no action was required to remedy any discrepancies found in the FY 2006-07 expanded audit. She further noted that First 5 has been able to successfully demonstrate its programs' abilities to:

- Decrease health expenditures through access to health insurance
- Impact the number of children receiving critical health insurance
- Improve the quality of preschool through our innovative programs that expand the reach of quality preschool models beyond our funding reach
- Target services to California's most at-risk children ages 0 to 5

This is all part of First 5's ongoing progress toward attaining its vision to ensure all children in California enter school ready to achieve their greatest potential.

MOTION/ACTION: Commissioner Minon moved that the Commission approve the First 5 California Fiscal Year 2007-08 Annual Report and its submission to the Governor, the Legislature and county commissions, as required by statute. The motion was seconded by Commissioner Dartis.

PUBLIC COMMENT: None

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

Agenda Item 10 – Consent Calendar

The Commission considered approval of the consent agenda items:

- September 18, 2008, Commission Meeting Minutes
- December 15, 2008, Special Commission Meeting Minutes
- Ratification of the following agreements: CCFC 6910 A1, 6943 A3, 7008 A2, 7076 A1, 7081 A1, 7088 A1, 7099 A3, 7099 A4, 7116, 7118, 7120 7122 A1, 7125, 7125 A1, 7126, 7126 A1, 7127, CFF 4570, 4577, 4579, 4580, 4581, 4594

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

PUBLIC COMMENT: None.

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

Agenda Item 11 – Adjournment

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

The next scheduled Commission Meeting is April 29, 2009, in Sacramento.

AGREEMENT RATIFICATION

Contract No.	Contractor Name	Description of Services	Total Amount	Date Executed	Authority
CCFC 6976 Amendment 2	University of Southern California	Amendment to Add \$144,319 to Agreement and Revise Scope of Work, Tasks, Deliverables and Budget Detail	\$144,319	February 13, 2009	Commission Approved October 16, 2003 Agenda Item 7
CCFC 7084 Amendment 1	University Enterprises, Inc.	Zero Dollar Amendment to Extend Time and Revise FY 2008-09 Budget and Add Budget for FY 2009-10 and 2010-11	\$0	March 27, 2009	Commission Approved September 7, 2007 Agenda Item 10
CCFC 7086 Amendment 1	Managed Risk Medical Insurance Board	Zero Dollar Amendment to Reclassify Office Assistant Position to Staff Services Analyst	\$0	February 26, 2009	Commission Approved July 19-20, 2007 Agenda Item 9a
CCFC 7111 Amendment 1	Department of General Services	Zero Dollar Amendment to Include a Detailed Annual Cost Calculation Formula	\$0	March 27, 2009	Commission Approved March 20, 2008 Agenda Item 6c
CCFC 7112 Amendment 1	Department of Finance	Zero Dollar Amendment to add Cost of Living Adjustment (COLA) Language	\$0	January 12, 2009	Commission Approved March 20, 2008 Agenda Item 6a
CCFC 7117 Amendment 1	Golden State Couriers	Zero Dollar Amendment to Change Delivery Schedule due to Furlough	\$0	February 25, 2009	Executive Director First 5 California
CCFC 7132	Fraser Communications	Advertising Campaign Services	\$34,844,975	January 13, 2009	Commission Approved July 19-20, 2007 Agenda Item 12
CCFC 7133	The Advancement Project	Co-sponsorship for Early Childhood Education for Children Age 0-5	\$10,000	January 28, 2009	Executive Director First 5 California
CCFC 7137	Managed Risk Medical Insurance Board	Advanced Funding for New Enrollees Ages 0-5 in the Healthy Families Program (HFP)	\$16,750,000	January 26, 2009	Commission Approved December 15, 2008 Agenda Item 2
CCFC 7139	California Association for the Education of Young Children (CAEYC)	Co-sponsorship for CAEYC Annual Conference	\$5,000	February 9, 2009	Executive Director First 5 California
CCFC 7140	Sight & Sound Audio Visual, Inc.	Audio/Visual Services for First 5 California Commission Meetings	\$9,999	March 4, 2009	Executive Director First 5 California

Contract No.	Contractor Name	Description of Services	Total Amount	Date Executed	Authority
CCFC 7142	Comcast of Sacramento I, LLC	Monitor Legislation and Media Coverage of First 5 California and First 5 California Sponsored Early Childhood Education Programs	\$12,139	April 6, 2009	Executive Director First 5 California