



AGENDA ITEM: 10
DATE OF MEETING: July 15, 2009
ACTION: X
INFORMATION:

KIT FOR NEW PARENTS

SUMMARY OF REQUEST

This is a request for the Commission to extend until October 31, 2011, First 5 California's contract with ALOM Technologies and to authorize up to \$16 million for the continued production and distribution of one of First 5 California's most successful and visible products, the *Kit for New Parents*.

BACKGROUND

The *Kit for New Parents (Kit)* was released in 2001 as a first-of-a-kind comprehensive parent education resource distributed at no cost to California residents. Through First 5 California's partnerships with First 5 county commissions, the *Kit* reaches local organizations ranging from hospitals and clinics to churches, foster care services, preschools, and community colleges. The *Kit* (available in English, Spanish, Cantonese, Korean, Mandarin, and Vietnamese) often functions as a critical first step to educate California parents about the care, health, and education of children 0 to 5 and inform them about services provided by First 5 California. According to a three-year study conducted by UC Berkeley and published in the October 2003 issue of *The American Journal of Public Health*, mothers who used the *Kit* demonstrated improved parenting skills and a greater understanding of their children's needs. Over the years, recognition of the *Kit* as a model for other states to follow has grown. Most recently, in February 2009, the *Kit* received an award from the Association of Maternal and Child Health Programs (AMCHP) as one of the top Promising Practices in the field of Maternal and Child Health.

In May 2007, First 5 California launched a redesigned version of the *Kit* in English and Spanish. The new *Kit* was an immediate hit with county partners, and demand after its formal release was significantly higher than the level anticipated in the new contract. In addition, First 5 California's inclusion of the new *Advice for New Parents* book, which provided information on all stages of a child's development from 0 to 5, expanded the *Kit's* audience to include parents of children ages 0 to 5, grandparents, and caregivers.

First 5 California strives to provide information to all parents, caregivers, and grandparents of children from 0 to 5, including immigrants who may have limited access to resources due to language barriers. The introduction of Asian-language and Spanish-language *Kits* expanded First 5 California's ability to reach immigrant communities. In support of its outreach to California's increasingly diverse population (shown in Table 1 below), First 5 California ramped up *Kit* production in recent years to meet the increased demand.

Table 1
California 0 to 5 Population by Ethnicity

Year	Asian	White	Hispanic	Pacific Islander	Black	American Indian	Multirace	Total
2007 Population	319767 10%	945202 29%	1638900 50%	10980 0%	166197 5%	8394 0%	160075 5%	3249515 100%
2008 Population	333997 10%	954794 29%	1649586 50%	12087 0%	171338 5%	9903 0%	137621 4%	3269326 100%
2009 Population	345838 11%	962712 29%	1665658 51%	13252 0%	177363 5%	11531 0%	114519 3%	3290873 100%
2010 Population	357637 11%	972104 29%	1688623 51%	14408 0%	184666 6%	13244 0%	91297 3%	3321979 100%

Source: Department of Finance Demographic Research Unit

Additionally, the California Legislative Analyst's Office report entitled *California's Fiscal Outlook: LAO Projections 2007-08 through 2012-13* states that the number of new births forecast trends up slightly through 2031. This is due to significant growth in the female population of child-bearing age groups in the faster-growing segments of California's population, including new immigrants and Hispanic and Asian women.

First 5 California is currently in the process of re-evaluating the *Kit* for potential redesign in order to continue to provide comprehensive educational materials to parents, grandparents, and caregivers of children 0 to 5. We have formed an internal committee to analyze current materials, delivery systems (including electronic), and customer needs pertaining to the *Kit*.

The 18-month contract extension would allow the committee the time to develop recommendations for a more efficient and potentially lower-cost *Kit* and time to work with our county partners during the transition while still providing the same level of service. The \$16 million will serve two purposes: 1) fund the remainder of the current contract to accommodate a higher than anticipated demand from the public and county commissions for *Kits*; and 2) fund the 18-month contract extension that gives staff time to develop recommendations and implement a revised version of the *Kit*.

STAFF RECOMMENDATION

Staff recommends the addition of \$16 million to the existing ALOM contract and an 18-month contract extension to October 2011. This will allow uninterrupted production and delivery of *Kits* to the public, and county commissions and their partners; this also will allow time to conduct a thorough study and evaluation of the current *Kit* and to develop and implement a potentially lower-cost, equally effective version of the *Kit*.

Pros:

- First 5 California preserves level of service to county Commissions.
- During these times of economic hardship, counties and the families they serve are looking for low-cost assistance. The *Kit for New Parents* is a valuable service provided by First 5 California at no cost that many organizations, hospitals, educational programs, parents, and caregivers throughout the state have come to depend on.
- Continuation of this high-profile program helps First 5 California remain a stable influence during this time of fiscal uncertainty and public scrutiny.
- The *Kit* is praised universally and has been studied throughout the country. The *Kit* recently won an award from the Association of Maternal and Child Health Programs (AMCHP) as one of the top Promising Practices in the field of Maternal and Child Health. This kind of public recognition for First 5 California serves as positive reinforcement and as an example of a great return on the investment in this program.
- The time spent developing a potentially lower cost, equally effective *Kit for New Parents* will benefit taxpayers and show that First 5 California is part of the solution and is helping California regain its fiscal health.
- The *Kit* is perceived statewide as one of First 5 California's most visible outreach tools.

Cons:

- There is considerable cost to fund the contract extension: \$16 million.

FISCAL IMPACT

First 5 California funding for the *Kit for New Parents* will come from the Education Account as described more fully in the attached Funding Request Fiscal Detail form.

ALTERNATIVES CONSIDERED

No amendment of funds or extension of time for ALOM Contract.

Pros:

- No additional funds spent.

Cons:

- The lack of a contract extension would severely hinder First 5 California in its effort to provide low cost services and information to its target audience, parents and families of children ages 0 to 5.
- Dwindling *Kit* supplies will cause a major disruption in service to counties.
- The *Kit* would no longer be available to the majority of new parents and caregivers in California (the Asian-language *Kits* and some counties' customized *Kits* would still be available).
- County commissions, hospitals, and educational organizations dependent on the *Kit* as part of their outreach and parent education program will be left without an important tool.
- There is no plan in place for First 5 California to provide families with alternatives for getting information that is currently provided in the *Kit* to parents.
- The sudden lack of *Kit* availability may have a negative effect on relationships with parents and families, county commissions, and other organizations. First 5 California would need to develop a plan of action to minimize any negative public perception this may generate.
- Many county commissions have spent their own funds on items created specifically for their customized *Kits*. Counties may be upset by monies spent on customized *Kit* items that could have been reallocated to other local programs if they had been informed ahead of time about the sudden *Kit* production end.
- Without extension of this contract, basic English-language *Kits* will be unavailable as of August 2009. Basic Spanish-language *Kits* will be unavailable as of September 2009.

FUNDING REQUEST FISCAL DETAIL

Title of Request:	Amendment of ALOM Contract for Time and Additional Funding			<input checked="" type="checkbox"/> Contract <input type="checkbox"/> Program Disbursement <input type="checkbox"/> Special Disbursement	
Amount of Current Agreement:	Up to	\$23,000,000.00	Expenditures to Date:	\$19,605,152.27	
Current Term of Agreement:	May 1, 2007	Through	April 30, 2010		
		Fiscal Year Detail			
		FY 07-08	FY 08-09	FY 09-10	FY 10-11
New Amount Requested:	Up to	\$16,000,000		\$13,121,330	\$4,373,777
Total Amount of Agreement:	Up to	\$39,000,000			
Percent of Available Fund Balance Affected by Agreement					
Proposed Funding Term:	August 1, 2009	Through	October 31, 2011		
First 5 California Account Name:	Education	Account Number	0634	Fund Availability Confirmed	<input checked="" type="checkbox"/> Yes By: _____
Statutory Purpose: Health and Safety Code 130105(a)(1)(B)	Section 130105(d)(1)(B) states, "Five percent shall be deposited in an Education Account for expenditures to ensure the children are ready to enter school and for programs relating to education, including, but not limited to, the development of educational materials, professional and parental education and training, and technical support for county commissions. . . " in the areas further described in statute.				
Do our funds leverage others?	<input checked="" type="checkbox"/> Yes (explain) <input type="checkbox"/> No	Commission Funds	Leveraged Funds	Total Funds	
			\$2,102,000.00	\$2,102,000.00	
<p>First 5 California receives leveraged funds through an interagency agreement (03-76097) with the California Department of Health Care Services (DHCS) subject to availability of funds. For FY 2007/08 and 2009/09, \$2,102,000.00 is the amount of funds available. DHCS will compensate First 5 California for the federal share of the actual expense of producing the Kit for New Parents that are provided only to Medi-Cal eligible beneficiaries. Figures for FY 2009/10 and 2010/11 have not yet been determined.</p>					
Key Deliverable Descriptions				Deliverable Date	
Contractor must produce and/or procure all components of the <i>Kit</i> . All specifications must be followed unless changes are pre-approved by First 5 California Contract Manager.				Monthly Submissions	
Upon receipt of approved custom <i>Kit</i> items listing by county from First 5 California, Contractor will customize county <i>Kits</i> and will be compensated for the costs of customized <i>Kits</i> . The Contractor will receive, inventory, process, and distribute customized <i>Kits</i> in accordance with the Basic <i>Kit</i> Specifications and county requested specifications provided by the county and approved by First 5 California.				Ongoing	
Ship all orders within three business days of receipt of the order, using order receipt date or subscription delivery request date to determine shipping sequence, unless other arrangements are approved by First 5 California.				Shipped three business days of request	
Provide tracing and tracking for orders, using UPS, FedEx, U.S. Postal Service systems, including CASS (Coding Accuracy Support System), or any other approved carrier.				At time of shipment	