EXECUTIVE SUMMARY

Annual Report

Fiscal Year 2004-05

California Children & Families Commission

FIRST5 CALIFORNIA

Introduction

The 2004-05 Annual Report is a comprehensive overview of First 5 California's progress toward achieving its vision:

> *Through the implementation of innovative, sustainable programs and the advancement of the understanding of the importance of early care and learning among all Californians, all young children in the State of California will reach age five physically & emotionally healthy, learning and ready to achieve their greatest potential in school.*

Background

Proposition 10, The California Children and Families First Act of 1998 (the Act), created the California Children and Families Commission, also known as First 5 California. The Commission is the leadership agency and statewide coordinator of the Act. As the lead agency, the Commission administers 20% of revenues from the Proposition 10 tobacco tax, which support its leadership responsibilities but also support additional activities that include technical assistance to County Commissions, research and evaluation, public media campaigns, infrastructure development, and statewide initiatives.

In this leadership role, the First 5 California Commission has had the opportunity to make a significant impact on the lives of California's young children by developing a long-term public policy framework around school readiness, setting strategic goals, and integrating early childhood services into existing education, health, and social service systems.

Eighty percent of funds go directly to the County Commissions. Consistent with the overarching framework of school readiness goals, guidelines for implementation of Proposition 10, and the "results to be achieved" identified by First 5 California, and with maximum flexibility in tailoring funding and programs to local needs, each County Commission has developed a strategic plan that guides its actions.

During fiscal year 2004-05, approximately $600 million was collected from the Proposition 10 tobacco tax and allocated as follows:

- 80% to the 58 County Children and Families Commissions for the provision of early childhood development, child health, and family support programs and anti-tobacco education.
- 20% to the First 5 California Children and Families Commission for statewide initiatives, public media campaigns, technical assistance to County Commissions, infrastructure development, and research and evaluation.

First 5 Goals and Results to Be Achieved

While the Act emphasizes local decision-making, it also requires the State Commission to adopt guidelines and "define the results to be achieved" as a basis for defining, gathering, and analyzing data that can be used in assessing the overall impact of First 5 investments, programs, and activities on achievement of First 5 California's goals. The First 5 priority result areas are: improved child development, improved child health, improved family functioning, and improved systems of care.

The State Commission has established the following five goals to achieve school readiness for each of California's children. Each of these goals is being pursued under Guiding Principles and Principles on Equity, with a commitment to ensuring that each program implemented is designed to be inclusive of all of California's culturally, linguistically, and geographically diverse populations, including those with disabilities and other special needs.

1. **Early Childhood Learning and Education.** Increase the quality of and access to early learning and education for young children aged 0-5.
2. **Early Childhood Health.** Promote the prevention, early identification of and intervention in health and developmental issues.

3. **Parent and Community Education.** Promote the importance of quality early care and education for young children by providing information and tools to parents, caregivers, schools and communities.
4. **Tobacco Cessation.** Contribute to the decrease in the use of tobacco products and other harmful substances by pregnant women, parents and caregivers of young children.
5. **Organizational Effectiveness.** Ensure programs and resources are utilized and managed in the most effective manner and in accordance with state laws and regulations.

Statewide Data Collection and Evaluation

The 2004-05 Annual Report provides detailed information on First 5 investments, funded programs, activities, participants, and progress toward the desired results of First 5 California.

In April 2002, a new comprehensive statewide data collection and evaluation of First 5 California was developed and implemented. In March 2005, First 5 California extended the evaluation contract for an additional year to continue to conduct the statewide evaluation through February 28, 2006. The evaluation design is an in-depth, systematic process to assess progress toward achieving the First 5 goals. Priority outcomes were identified in each of the four result areas (improved child development, child health, family functioning, and systems of care), and one or more indicators were identified to track each outcome. Indicators track trends and patterns and can identify both positive outcomes and areas of concern.

As required by the Act, County Commissions submit an annual report to the State Commission that provides detailed information on their investments, funded programs, activities, and participants. The 2004-05 Annual Report aggregates, analyzes, and presents the data and information collected from the counties in order to tell the First 5 story.

Statewide First 5 California Projects and Initiatives

The First 5 State Commission is supporting many statewide initiatives and projects that address:

- Early childhood learning and education
- Early childhood health
- Parent and community education
- Tobacco cessation.

The State Commission's strategic goals provide the structure for current and future initiatives. First 5 California has committed funding to a range of statewide initiatives and projects, including:

- **Early childhood learning and education initiatives and projects.** First 5 California implemented or continued several projects that target early childhood learning and education. These include the School Readiness Initiative; Special Needs Project; Migrant and Seasonal Farm Workers Project; Family, Friend, and Neighbor Child Caregiver Support Project; Matching Funds for Retention Incentives for Early Care and Education Providers; Child Development Permit Project; Power of Preschool[1]; and Affordable Buildings for Children's Development (ABCD) project.
- **Early childhood health initiatives and projects.** First 5 California has addressed the goal of early health through four efforts: the Child Care Health Linkages Project, Childhood Asthma Initiative, Early Childhood Oral Health Initiative, and Health Access for All Children.
- **Parent and community education initiatives and projects.** First 5 California has supported parent and community education through the Kit for New Parents, Safe from the Start, and public education campaigns.
- **Tobacco cessation initiatives and projects.** First 5 California has promoted tobacco cessation through the California Smokers' Helpline and a public education campaign.

[1] The name of the First 5 Preschool for All Initiative was officially changed to First 5 Power of Preschool Demonstration Projects in November 2005.

First 5 Participant Outcomes and County Commission Activities

First 5 California dollars have enabled County Commissions to invest in young children during the most critical period (birth to age 5) of their cognitive, social, and physical development.

First 5 Services Have Positive Effects on the Lives of Young Children and Their Families

Preliminary outcome data show positive effects on children's health, development, early education, and family well-being after 6 to 12 months of intensive First 5 services, including School Readiness Initiative programs.

- More children had health insurance.
- More children had a regular medical home.
- More children had routine medical and dental care.
- More children regularly attended preschool.
- More families regularly read and told stories to their children.
- More doctors provided developmental assessments of young children, resulting in more children being identified as having disabilities or other special needs.
- More mothers acquired their high school diploma or GED.
- Fewer children were exposed to secondhand smoke in their homes.

These positive outcomes should lead to children's greater success in school and in life.

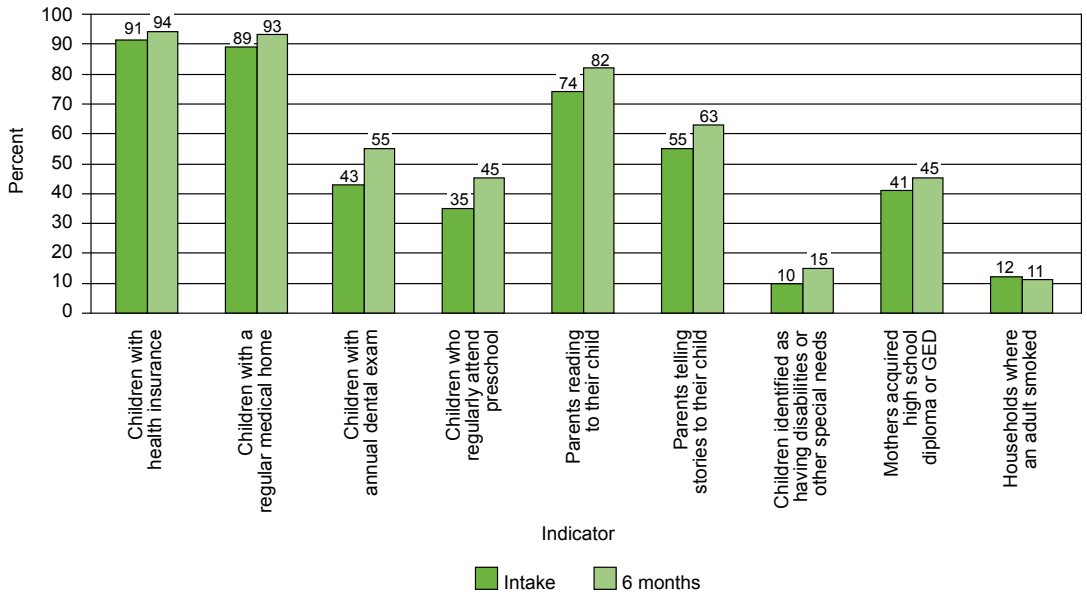
Children and families participating in First 5 programs experienced significant benefits that promote children's school readiness.

These benefits include increased:

- Preschool participation
- Access to health care
- Receipt of developmental assessments
- Frequency of family literacy activities
- Levels of mother's education.

Children also were less likely to be exposed to secondhand smoke.

Exhibit 1
Outcomes for Intensively Served First 5 Participants



Who Is Receiving Services from First 5?

First 5 programs and services are reaching many young children and families, particularly the children most at risk of not having access to the services and supports they need for their optimal early development and school readiness.

First 5 programs and services are reaching the diversity of California's young children and their families, serving children from birth to age 5, those from culturally and linguistically diverse populations, and those with disabilities and other special needs.

- First 5 programs and services have reached many of California's young children and their families (close to 20 million people).[2]
  - About 3.5 million of these people received direct services.
  - More than 16 million were reached through community outreach activities.
- First 5 programs have been successful at reaching out to culturally and linguistically diverse populations and to families with children with disabilities and other special needs.
  - First 5 funded programs have served children and families who represent the diversity of the state's population: 65% Latino, 21% white, 5% Asian/Pacific Islander, 4% African-American, and 5% other racial or ethnic groups.
  - More than half (56%) of the children served by First 5 programs spoke a primary language other than English; 51% of the children spoke Spanish, and 5% spoke another language.
  - Approximately 5% of all children served by these programs were identified as having a disability or another special need.

Who Is Receiving Intensive Services from First 5?

Data for fiscal year 2004-05 demonstrate that First 5 programs are intensively serving the children most at risk of not being ready for school, including:

First 5 programs are providing services to children and families who are most at risk to have health and developmental problems and, therefore, are the most likely to benefit from First 5 services.

- Latino children (79% of children served)
- Children of families who primarily speak a language other than English (67%)
- Children living in low-income households (68%)
- Children identified has having disabilities or other special needs (13%).

These children are also at greater risk because, at program entry, they have fewer experiences or supports known to promote school readiness than their state and national peers, such as:

- Being of normal weight at birth
- Having been breastfed
- Having health insurance
- Having regular medical and dental care.

[2] These are not unduplicated counts. An individual may have been served by more than one program and, in some cases, more than once by the same program.

How Is First 5 Serving Children and Families?

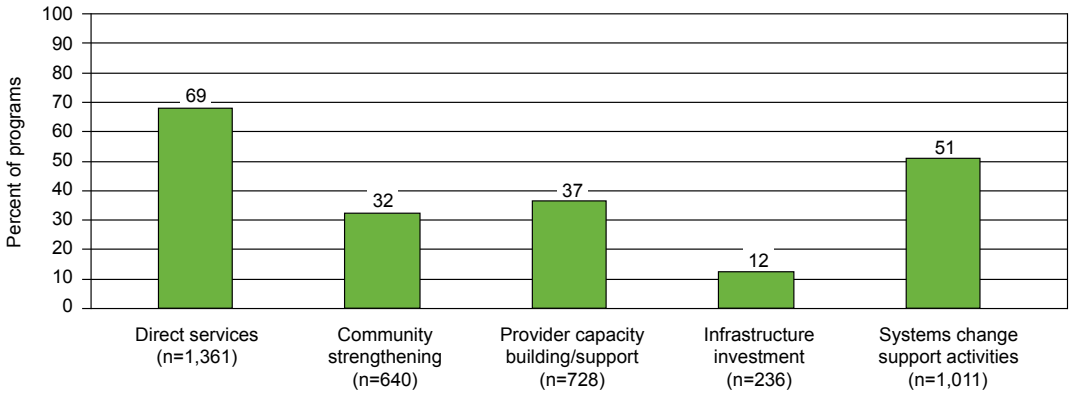
To promote family support, early care and education, and child health, and to improve systems of care for young children and their families, in 2004-05, First 5 County Commissions funded and partnered with a range of agencies to conduct 2,061 programs to improve the lives of young children and their families throughout the state. Exhibit 2 shows the percentage and number of programs using each of five strategies. Many programs (56%) were funded to implement more than one strategy.

- **Direct services.** The majority of programs (69%) and funding (57%) were focused on providing direct services to children and families, such as parenting education, early education classes, developmental screenings and assessments to ensure early identification and services for children's disabilities and other special needs, enrollment in health insurance, and preventive health care services, including dental care.
- **Community strengthening efforts.** Approximately a third (32%) of programs conducted public outreach activities aimed at large groups of children, parents, and related community members, involving community events, dissemination of written materials, media campaigns, and organizing of community networks to increase awareness of community resources to promote school readiness and children's health.
- **Provider capacity building/support.** More than a third (37%) of programs conducted trainings and other activities to further develop the skills and resources of service providers and teachers so that they can provide higher-quality early care and education, as well as other services, to children and their families.
- **Infrastructure investments.** Twelve percent of programs received funds to improve or expand facilities and to purchase equipment and materials for programs such as preschools.
- **Systems change support activities.** Approximately half (51%) of programs were also funded to coordinate or augment their programs' efforts through evaluations, civic engagement efforts, and interagency collaboration and planning.
- **Mini-grants.** Small grants, usually less than $5,000, were disbursed to 914 agencies and groups to support or conduct activities similar to the strategies used by funded programs.

The majority of First 5 programs (69%) and funding (57%) were focused on providing direct services to children and families.

Significant investments also have been made in activities to further develop the skills and resources of service providers and teachers so that they can provide higher-quality child care and education, as well as other services, to children and their families.

Exhibit 2
Programs Using the Five Strategies (n=1,979)



Note: Percentages total more than 100 because some programs used more than one strategy.

Direct services funded by First 5 addressed all four result areas:

- Improved child development
- Improved child health
- Improved family functioning
- Improved systems of care.

Services for Children and Families, by Result Area

First 5 programs delivered direct services to improve outcomes for children and families in all four priority result areas of First 5 California: improved child development, improved child health, improved family functioning, and improved systems of care. The 12 types of services most commonly received by program participants are listed in Exhibit 3.

Exhibit 3
Services Received Most Often by First 5 Program Participants, by Result Area

Improved Family Functioning	Improved Child Development	Improved Child Health	Improved Systems of Care
• Community resource and referral • Parenting education • Parenting/caregiver support • Distribution of Kit for New Parents	• Early education programs for children • Family literacy programs • Developmental screenings and assessments • Kindergarten transition programs	• Health insurance enrollment and assistance • Safety education and injury/violence prevention • Nutrition education and assessments	• Service coordination

The most common services included early education programs, community resource information and referrals, parenting education services, health insurance enrollment, and service coordination.

Services to Improve Family Functioning

- **Community resource and referral (to health and social services).** 740 programs (more than half of all direct-service programs) provided 1,298,407 people with information about and referrals to health and social service programs in their communities. 386 programs conducted community outreach efforts to 12,891,139 parents and related community members about community resources. 47 organizations also received mini-grants to begin or expand the sharing of community resource and referral information with their participants.
- **Parenting education.** 713 programs (more than half of all direct-service programs) provided education to increase parenting knowledge and skills to 528,105 parents, affecting 390,524 children ages 0-5. Positive parenting practices also were promoted with 8,639,444 parents and children through media campaigns, community events, dissemination of materials, and other outreach efforts run by 269 programs. 127 additional organizations and groups provided parenting education with support from mini-grants.
- **Parenting/caregiver support.** 449 programs promoted nurturing and positive home environments by providing informal counseling, respite services, and other forms of support to 346,045 parents of children ages 0-5. Mini-grants funded 64 additional organizations to provide support to parents and other caregivers. Peer parent support networks also were organized and advertised to 3,877,490 parents and related community members by 139 programs.
- **Distribution of Kit for New Parents.** 312 programs distributed the First 5 California Kit for New Parents to 482,645 program participants. In addition, 16 other organizations distributed the Kits to new parents with support from mini-grants.
- **Mental health services.** 301 programs provided counseling and behavioral and mental health assessments to 366,230 children and their family members. An additional 113 programs provided substance abuse treatment, counseling, and referrals to 184,374 people in families with young children.

- **Assistance with basic needs.** 282 programs provided 326,319 family members with meals, groceries, or store certificates for food; clothing; access to emergency funding or household goods; and help in finding temporary or affordable housing. 236 programs helped 282,028 people in families with young children to enroll in food assistance programs.
- **Adult education.** 163 programs provided activities to promote adult literacy skills and learning of English as a second language to 100,705 parents and other family members of young children. 139 programs provided classes to help 55,519 parents find employment or better-paying jobs or to become U.S. citizens. In addition, eight organizations received mini-grants to support adult literacy activities.
- **Family planning services.** 112 programs provided 48,994 young parents (often teenage parents) with services to help them postpone future pregnancies until they are older and more self-sufficient.
- **Other family support and education services.** 595 programs provided 414,192 children and 493,689 parents with other family support services, such as translation services, legal support and services, and advocacy for families with other agencies.

Services to Improve Child Development

- **Early education programs.** 548 programs provided early childhood activities and programs that foster social, emotional, and intellectual growth and prepare children for further formal learning to 598,899 children and 259,633 parents. Mini-grants were received by 205 additional organizations to provide early educational activities to children.
- **Family literacy programs.** 319 programs conducted activities to increase the amount parents read to their children with 261,320 children, 214,490 parents, and 27,079 other family members. Another 385 organizations received mini-grants to promote improved family literacy practices.
- **Kindergarten transition programs.** 292 programs provided transition activities to 254,511 children about to enter kindergarten and 184,281 parents of children entering kindergarten. 337 programs provided 11,215,240 parents and related community members with information about ways to help children become ready to succeed in school through community outreach activities. Finally, 91 organizations received mini-grants to provide kindergarten transition activities.
- **Early care and education referrals and resources.** 213 programs provided information on and referrals to early child care and education programs to 287,496 people, and 102 programs provided subsidies or vouchers for child care and preschool to 57,925 people.
- **Developmental screenings/assessments.** 391 programs screened 269,115 children for developmental delays and other disabilities and worked with 193,998 of their parents. In addition, 170,417 children and 121,951 parents received services to directly address the needs of children with developmental issues. In addition, 159 programs disseminated information on the importance of early identification of disabilities and other special needs and on resources for assessments and services to 6,623,116 parents and related community members. 24 organizations received mini-grants to conduct similar efforts.

About two-fifths of First 5 programs provided early childhood activities that foster social, emotional, and intellectual growth and prepare children for further formal learning.

First 5 programs screened 269,115 children for developmental delays and other disabilities and provided developmental services to 170,417 children with disabilities.

First 5 programs are promoting child health in many ways.

- First 5 programs helped enroll 481,280 children in low-cost and public health insurance programs.
- Almost half of First 5 direct-service programs provided health care services and education to 478,580 children.
- Oral health treatment, screenings, and education were provided to 294,537 program participants.

Education and services to prevent childhood injuries were provided to 480,521 program participants, and 4,381,066 parents and related family members learned about injury prevention through media and other public outreach efforts.

Services to Improve Child Health

- **Prenatal care and birth education.** 234 programs provided prenatal care and birth education and services to 151,621 expectant parents. Also, 117 programs promoted prenatal care and birth education through public outreach materials to a total audience of 6,777,183 people. 26 organizations received mini-grants to provide prenatal care and birth education to expectant parents.
- **Breastfeeding assistance.** 163 programs provided breastfeeding assistance to 187,140 new mothers. 92 programs promoted breastfeeding through media campaigns, community events, and public outreach materials, reaching a total audience of 4,934,277 people. An additional 47 organizations received mini-grants to provide breastfeeding assistance.
- **Health insurance enrollment/assistance.** 328 programs helped 481,280 program participants enroll in low-cost and public health insurance programs for children ages 0-5.
- **Health care.** 609 programs (45% of programs providing direct services) provided health care services to 478,580 children, including 218,289 nutrition assessments and educational sessions, 151,725 health screenings (including vision and hearing), 117,738 well-baby or well-child checkups, 82,254 immunizations, 51,453 acute medical care visits, and 245,644 other health services.

  Mini-grants went to 57 organizations to provide nutrition assessments and education and 13 organizations to conduct health screenings.
- **Oral health treatment, screening, or prevention.** 251 programs provided oral health treatment, screenings, and education to 294,537 participants. Additional oral health services were provided by 10 organizations that received mini-grants for that purpose.

  An additional 7,972,151 children and parents received information to promote health care for children (including oral health) through public outreach materials conducted by 231 programs, and 7,811,948 children and parents received information about nutrition through similar activities conducted by 184 programs. An additional 10 organizations received mini-grants to provide oral health services.
- **Safety education and injury/violence prevention.** 359 programs provided 480,521 people with education and services to prevent injuries and violence. In addition, 97 programs provided 4,381,066 parents and related family members with information about injury prevention through community outreach efforts. 58 organizations also received mini-grants to provide injury and violence prevention education and services.
- **Car seat distribution.** 133 programs distributed and correctly installed car seats to prevent injuries and deaths of young children in automobile accidents, serving 100,320 people. 46 additional organizations received mini-grants to support this activity.
- **Tobacco cessation education and treatment.** 143 programs provided tobacco cessation education and treatment to 84,249 parents and 16,832 other family members. 98 programs shared information about the importance of not smoking when pregnant or near children and information on how to stop smoking, reaching 3,252,137 people through community outreach efforts. Finally, 6 organizations received mini-grants to provide tobacco cessation services and education.

Services to Improve Systems of Care

- **Service coordination.** 431 programs provided service coordination for 641,621 participants, of whom about 46% were children. Service coordination usually was provided in conjunction with case management (55%), home visits (13%), and classes (10%). In addition, 33 organizations received mini-grants to establish or expand their service coordination efforts.
- **Transportation services or vouchers.** 250 programs provided transportation services to 343,273 people, 46% of which were for children ages 0-5. An additional 51 organizations received mini-grants to provide transportation services.

Provider Capacity Building and Support

First 5 funded programs also focused on supporting providers to increase accessibility and quality of services. These programs served 433,010 providers.[3] Early care and education (ECE) providers, particularly center-based providers, were the most frequently targeted recipients of provider capacity-building and support activities; 253,501 of these professionals were served.

More than half (54%) of the provider capacity-building activities involved group or individual training, which covered a number of topics. Trainings targeted largely providers caring for and educating children in home-based (family-based) and center-based child care and preschool facilities (63%) and family support providers (10%) such as case managers, family advocates, eligibility workers, and psychologists. Most of the training sessions provided information on ways to support school readiness and on identifying and serving children with disabilities and early mental health needs. In addition to training providers, First 5 funding offered several other types of support, including retention and training stipends, program materials to use directly with children and families, informational materials to improve service delivery, and meetings and events to develop professional networks. In addition, 47 organizations received mini-grants to promote professional development of service providers (55% focused on preschool educators and family-based early care providers).

First 5 programs also focused on improving the quality and accessibility of services by training and providing other supports to early care and education (ECE) and other service providers.

More than half of the activities to strengthen and support providers' skills involved training, and most training focused on information and practices to support school readiness and identify children with disabilities and other special needs.

Infrastructure Investments

First 5 funded 236 programs to increase the accessibility and quality of services through infrastructure investments (e.g., investing in buildings, equipment, and materials). Seventy-seven percent of the programs reporting the types of investments they made purchased equipment and materials to enhance service quality, and 47% made facility improvements. Most of these investments were made by nonprofit organizations, K-12 schools and districts, and child care centers and preschools. In addition, mini-grants were distributed to 598 agencies (73% of which were child care centers and preschools) to purchase equipment or materials to enhance service quality.

To improve the accessibility and quality of services, many organizations and agencies received infrastructure investments and mini-grants to purchase educational materials and equipment and expand or improve their facilities.

[3] This is not an unduplicated count. Providers may be counted more than once if they received multiple services.

County Commissions are in a unique and strong position to focus on systems change efforts that promote accessible, coordinated, and high-quality systems of early care.

Because of First 5 funding, County Commissions are:

- Increasing accessibility of services
- Improving quality of services
- Supporting service integration among providers
- Promoting cultural competence among service providers
- Engaging funded programs in evaluations that inform program refinement and future investments.

Systems Change Activities

Most of the activities described above were part of larger efforts to improve systems of care for young children and their families. These activities were efforts to fill service gaps, make services more accessible and family friendly, reach out more effectively to diverse and often underserved communities, and improve the quality and effectiveness of services.

County Commissions are in a unique position to focus on the entire service system for young children and their families because of the flexibility they have in their funding decisions. County Commissions' systems change efforts focus on multiple domains of care and have focused most often on child care, early education, school readiness, health care, and early identification and services for children with disabilities and other special needs.

In all of these efforts, County Commissions are trying to support approaches that serve the needs of the whole child and family, delivered in ways that are responsive to families' desires to care for and support their young children's health and well-being and that respond to communities' unique local needs.

Of the 1,011 programs funded to do systems change activities, 221 (22%) were funded to focus solely on systems change. The most common systems change activities funded were interagency collaboration, developing program materials for and doing outreach to diverse populations, conducting research or evaluation, and developing materials and processes to monitor service quality standards.

The results from County Commissions' 2004-05 annual reports suggest that:

- First 5 services are becoming increasingly accessible. This trend reflects a great deal of work by funded programs on making services more visible and community members more aware of the services that are available to them.
- First 5 County Commissions are improving the quality of services, making them more comprehensive, integrated, and family focused. Service quality also is improving through focus on training for service providers.
- First 5 service providers and materials reflect the diverse populations they serve. Services are available in families' primary languages, and materials have been adapted to families' literacy levels.
- First 5 County Commissions use their funding requirements and ability to convene providers to promote service integration.
- County Commissions and their funded programs are actively engaged in evaluations that inform program refinement and future investments.
- County Commissions have actively engaged community members to help them design their strategic plans and programs so they are responsive to community needs.
- The majority of County Commissions are actively advocating for policy change and legislation, as well as helping their funded programs to develop broader funding sources and partnerships that will promote sustainability of the programs.

School Readiness Initiative Activities and Outcomes

The School Readiness (SR) Initiative is a State and County Commission partnership that includes county-level matching funds, which bring the total funding to $413 million over 4 years. This important initiative aims to improve the ability of families, schools, and communities to prepare children to enter school ready to succeed. The SR Initiative targets young children and their families in all California counties, focusing on communities served by high-priority schools, those with scores on the Academic Performance Index (API) among the lowest 30% in California (API scores of 1 to 3). The initiative includes 785 schools, in all 58 counties, associated with 206 funding applications. The SR Initiative is designed to take a comprehensive approach to supporting children's success in school by having a positive impact on children, their families, their communities, and the systems of care designed to serve them.

The First 5 SR Initiative evaluation has collected information about children and schools by using the school readiness framework of the National Education Goals Panel (NEGP), "ready children" and "ready schools."

The services promoted by the SR Initiative and other First 5 programs (preschool, health care, identification of and services for children with disabilities and other special needs, parenting education, and family literacy) are all associated with better mastery of skills when entering kindergarten.

SR Initiative Program Activities and Participants

- SR Initiative programs and services have served many of the children attending high-priority schools and their families[4]:
  - 1,049,896 children and their family members received direct services.
  - 982,552 parents and family members were reached through community outreach activities.
- The First 5 SR Initiative is targeting the very children who are most in need of its services and supports in order to help them be successful when they enter school. These children are primarily:
  - Latino (77% vs. 51% among all California kindergartners, and compared with 19% nationally).
  - English learners (58% have a primary language other than English, predominantly Spanish, compared with 11% nationally).
  - Living in low-income households (67% with annual household incomes of less than $30,000, compared with 31% nationally). About half (56%) of the families are receiving some form of public assistance.
- SR Initiative programs also provided training and other supports to improve the skills and capacity of 43,758 persons, including kindergarten teachers and service providers working in early education, health, and social service programs.

The First 5 SR Initiative is targeting the very children who are most in need of its services and supports in order to help them be successful when they enter school.

More than half of the children in SR Initiative schools are English learners, and 67% live in low-income households.

The most common types of activities supported by County Commissions with their SR Initiative funds include community resource and referral, parent education, early education programs for children alone or together with parents, kindergarten transition programs, recreational/physical activities for children alone or with parents, parenting/caregiver support, family literacy programs, and developmental screenings/assessments.

[4] These are not unduplicated counts. An individual may have been served by more than one program and, in some cases, more than once by the same program.

Few children had full or almost full mastery of skills known to be important for school success and for successful transition to kindergarten.

Children in poorer health had lower mastery of important school readiness skills.

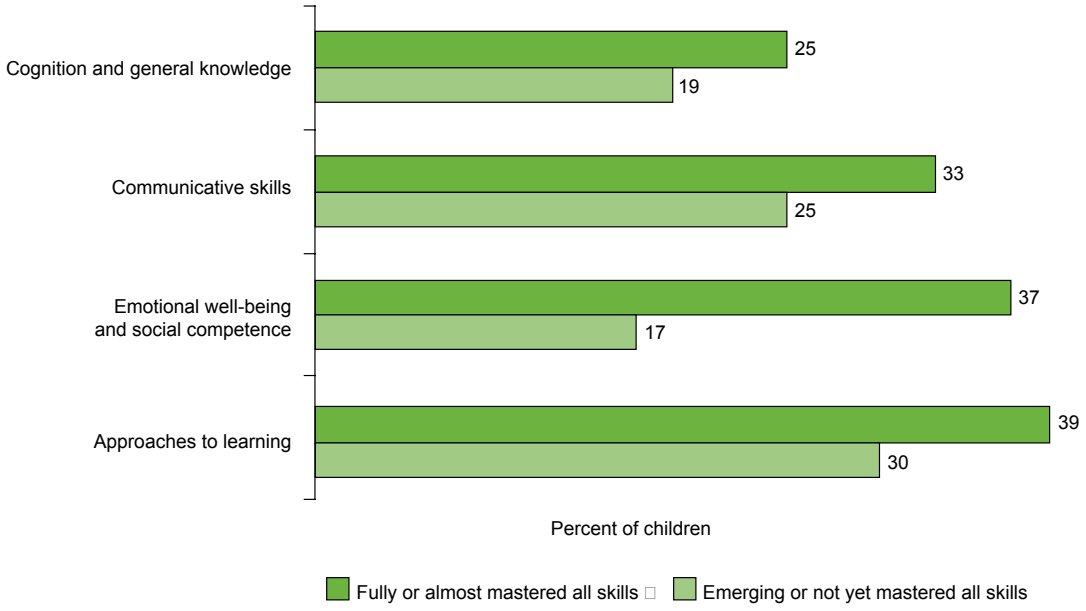
Children who attended preschool and those whose families regularly read, sang, and told stories to them had more of the skills needed for school success.

Ready Children

On the basis of data collected on children entering kindergarten in the early phases of the initiative, the goals and activities of the SR Initiative are targeted appropriately and are on track. In particular, the statewide evaluation found:

- Relatively few children had full or almost full mastery of skills known to be important for school success and for successful transition to kindergarten (Exhibit 4).
- Children's health has important consequences for their development of the skills needed for school success.
- Many parents had concerns about their children's development, and these parental concerns were well-founded.
- There may be many children with developmental delays, disabilities, and other special needs that have gone undetected.
- Children whose families regularly engaged in literacy activities (reading, singing, or storytelling three or more times a week) had significantly better mastery of developmental competencies at kindergarten entry.
- Children who participated regularly in early childhood education programs before attending kindergarten had significantly better mastery of key developmental competencies.
- Parenting education and support services promoted activities that led to increased school readiness.

Exhibit 4
Overall Level of Children's Developmental Mastery at Kindergarten Entry



Ready Schools

The First 5 SR Initiative aims to support "ready schools" that anticipate the needs of students before they arrive, communicate effectively with children's parents and caregivers about each child, support children's transitions to kindergarten, and enhance the capacity of teachers and administrators to effectively serve students from diverse cultural backgrounds and with varied needs, skills, and abilities.

SR Initiative schools have demonstrated increased readiness to serve children:

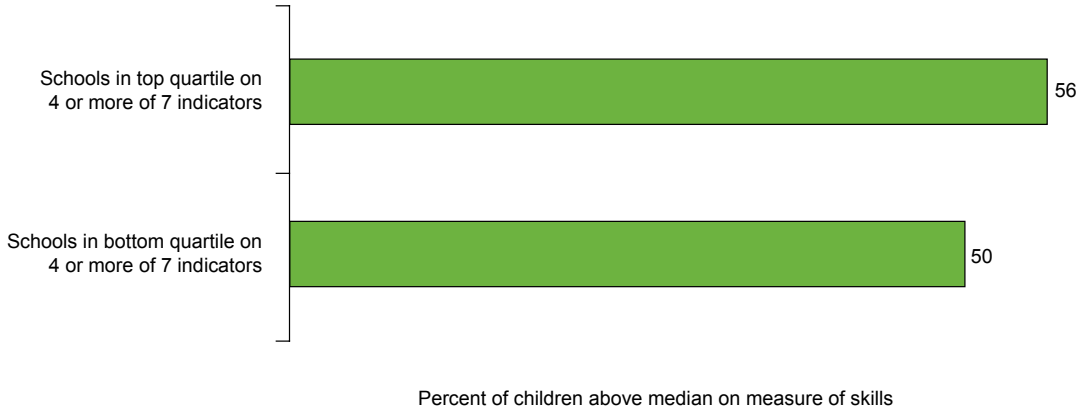
- Schools offered new or expanded on-site pre-kindergarten services and programs as a result of First 5 SR Initiative funding.
- Elementary schools were better able to create linkages with early care and education programs as a result of First 5 SR Initiative funding.
- Schools have been meeting the needs of individual children by supporting the school readiness and learning of English learners and working to serve children with disabilities and other special needs, but increased efforts are needed.
- Schools implemented activities to help children transition smoothly to kindergarten, and most parents were satisfied with these efforts.
- Superintendents and principals have been providing school readiness leadership by their active participation in SR Initiative planning and governance activities.
- Communities are providing early childhood and family support services and programs that will help children develop school readiness skills at entry to kindergarten.
- Although the difference is not statistically significant, schools that had more fully implemented the National Education Goals Panel's "ready schools" practices had more children with better school readiness skills at kindergarten entry than those schools that had not (Exhibit 5).

As a result of the School Readiness Initiative, schools have offered new or expanded on-site pre-kindergarten services and programs.

When communities had more early childhood and family support services, children in those communities had more of the skills needed for school success at kindergarten entry.

Schools that more fully implemented the National Education Goals Panel's "ready schools" practices had more children enter the schools with the skills needed for academic success.

Exhibit 5
Ready Schools Characteristics and Children's Developmental Skills at Kindergarten Entry



Note: Schools were classified as being in the top or bottom quartile on each of the seven "ready schools" variables: connecting with families, connecting with early child care providers, meeting the needs of individual children, transition support from the school/district, principal involvement in the School Readiness Initiative, availability of community resources, and availability of on-site pre-kindergarten services/programs.

Information gathered from the special research studies can support policy-makers and programs in making sure that First 5's investments are maximized.

The High-Quality Preschools Study included preschool programs with the following attributes:

- Employ highly qualified staff.
- Support ongoing professional development.
- Maintain low child-to-adult ratios.
- Are inclusive of children with disabilities and other special needs.
- Accommodate children who are English learners.

Promising practices from The Promising Programs and Practices: A Focus on Early Literacy special study include:

- Combine multiple service approaches.
- Communicate early literacy messages in multiple settings.
- Use curricula and offer activities linked to explicit literacy goals.

Special Research Studies

To promote school readiness for all children in California, First 5 is investing substantial funds in increasing the accessibility and quality of preschool and early literacy programs, including funds from the First 5 School Readiness (SR) Initiative, the Power of Preschool Demonstration Projects, and local County Commissions.

Qualitative case studies were conducted with a sample of First 5 funded programs to learn more about how First 5 is promoting high-quality services and how programs are serving children and families, and to identify promising practices that can be shared with County Commissions and program administrators across the state to improve their early education activities or programs. Information gathered from these case studies can support policy-makers and programs in making sure that First 5's investments are maximized. The case studies describe both the benefits of and methods for implementing these promising practices, including examples of how they were implemented by the programs studied.

The High-Quality Preschools Study documented how 12 selected preschool programs receiving First 5 funds have several critical attributes of high-quality preschools. These programs:

- Employ highly qualified staff.
- Support ongoing professional development.
- Maintain low child-to-adult ratios.
- Are inclusive of children with disabilities and other special needs.
- Accommodate children who are English learners.
- Use developmentally appropriate curricula.
- Involve families.
- Provide parent-focused services.
- Make appropriate referrals to other programs and services.
- Provide on-site developmental, behavioral, and health assessments.
- Link the preschool program with the K-12 school system.

The Promising Programs and Practices: A Focus on Early Literacy special study identified and described promising practices used by 10 SR Initiative programs to promote children's early literacy skills. For example, these programs:

- Combine multiple service approaches.
- Amplify the impact of child-focused services by providing complementary parent-focused services.
- Communicate early literacy messages in multiple settings.
- Use curricula and offer activities linked to explicit literacy goals.
- Have literacy-rich classroom environments.
- Use evaluation data to assess children's progress and tailor instruction, to manage the program, and to demonstrate effectiveness and provide accountability to funding agencies.
- Employ bilingual staff.
- Provide intensive professional development opportunities.
- Promote parent participation.
- Partner with early education teaching programs to find high-quality teaching staff.

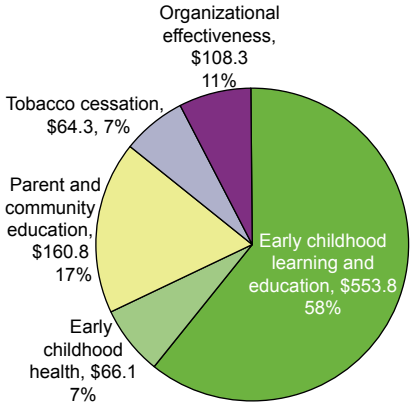
State Commission's Revenues and Expenditures

In October 2004, the California Department of Finance (DOF) submitted its final Audit Report on the Children and Families Trust Fund and Related Funds. The DOF opinion reflects no material exceptions.

Exhibit 6
Fiscal Year 2004-05 State Commission Fiscal Summary

Beginning Fund Balance, as of July 1, 2004	$161,495,425
Tax Revenue	$119,037,834
Interest Income	$7,026,192
Total Resources	$287,559,451
Expenditures	$(67,847,495)
Year-end Fund Balance, as of June 30, 2005	$219,711,956

Exhibit 7
State Funds Only, by Goal, 2005-06 through 2010-11
(in millions of dollars)



The State Commission invests First 5 funds in programs and activities that are tied to the goals outlined in the Proposition 10 legislation.

It has been a policy of the State and County Commissions to seek funding partners where possible because the long-term viability of First 5 California will depend on such partnerships.

More than $300 million of local funds will be leveraged through the School Readiness and Matching Funds for Retention Incentives for Early Care and Education Providers Initiatives.

First 5 California disbursed $528,069,194 to County Commissions for local activities.

County Commissions' Revenues and Expenditures

County Commissions' Revenues

In fiscal year 2004-05 (July 1, 2004, to June 30, 2005), First 5 California disbursed $528,069,194 to the 58 County Commissions. As shown in Exhibit 8, the majority of County Commissions' revenues came from monthly disbursements from First 5 California. The School Readiness Initiative and non-First 5 funds represented relatively small proportions of County Commissions' overall revenues.

Exhibit 8
Sources and Amounts of County Commissions' Revenues

Source	Amount	Percentage of Total Revenues
First 5 California funds		
Monthly disbursements	$474,651,747	82
$200,000 Baseline funds	$868,988	<1
Augmentation funds: Administrative and Travel	$2,265,013	<1
Retention Incentives for Early Care and Education Providers	$6,368,560	1
Surplus Monetary Investment Funds (SMIF)	$9,855,592	2
Funds for other projects	$5,354,058	1
School Readiness (SR) Initiative funds		
Program funds	$26,805,236	5
Implementation funds	$1,900,000	<1
Total First 5 California funds	**$528,069,194**	**91**
Non-First 5 California funds		
Grants	$6,386,979	1
Donations	$189,030	<1
Interest earned	$40,521,127	7
Other non-First 5 funds	$5,271,409	1
Total non-First 5 funds	**$52,368,545**	**9**
Total revenues	**$580,437,739**	**100**

County Commissions' Expenditures

As discussed above, County Commissions made investments using First 5 California funds in a wide variety of programs and services for young children and their families. The majority of investments, $378,068,142, were spent on 2,061 programs to promote family support, early care and education, child health, and improved systems of care, with administrative costs representing only 9% of all expenses. Exhibit 9 shows the types and amounts of expenditures by County Commissions in fiscal year 2004-05.

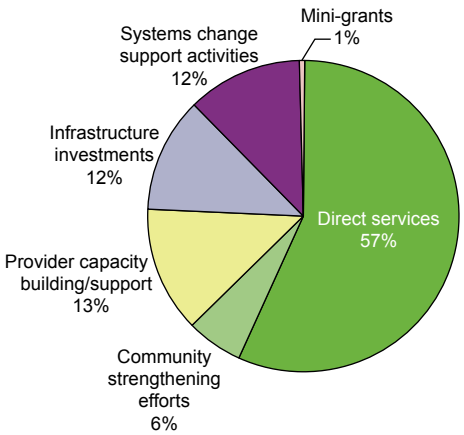
Exhibit 9
County Commissions' Expenditures of First 5 Funds

Type of Expenditure	Expenditure Amount	Percentage of Total Expenditures
First 5 (except SR Initiative) funds disbursed to programs*	$378,068,142	79
SR Initiative funds disbursed to programs*	$55,555,145	12
Administrative expenses	$42,204,023	9
Total 2004-05 funds expended	**$475,827,310**	**100**

*Includes programs funded by mini-grants.

Expenditures by strategy. County Commissions provided funding to support a wide variety of services and activities, with direct services and provider capacity building/support receiving the most funding (57% and 13%, respectively). The percentages of First 5 funds spent by funded programs on five strategies and on mini-grants are shown in Exhibit 10.

Exhibit 10
Distribution of Funded Programs' Expenditures



Expenditures by type of organization. County Commissions disbursed First 5 and other funding to a wide range of agencies and organizations in their counties. The variety of agencies and services they funded aimed to create a comprehensive system of care for young children and their families. The organizations funded most frequently were nonprofit community agencies, schools and school districts, private medical and other private organizations, county departments of health, family resource centers, and other county agencies (Exhibit 11).

The majority of investments were spent on 2,061 programs to promote family support, early care and education, child health, and improved systems of care.

Most First 5 funds go to direct services for young children and their families.

First 5 also works to improve the quality of services by increasing the skills of providers and capacity of agencies.

County Commissions' investments have funded programs that address all four of the First 5 priority result areas:

- Improved child development
- Improved child health
- Improved family functioning
- Improved systems of care.

Exhibit 11
Funded Activities and Services Most Commonly Provided

Organization Type	Type of Activity (Percent of participants who received services)
Community-based or other nonprofit organizations **Funding:** $143,373,549 **Number of organizations:** 691	Community resource and referral (50%) Parenting education (35%) Parenting/caregiver support (33%) Service coordination (28%) Early education programs for children (24%) Safety education and injury/violence prevention (19%) Distribution of Kit for New Parents (19%) Kindergarten transition programs (18%) Nutrition education and assessments (16%) Family literacy programs (16%) Mental health assessments or services (15%)
Schools and school districts **Funding:** $81,052,209 **Number of organizations:** 372	Early education programs for children (40%) Community resource and referral (27%) Parenting education (24%) Kindergarten transition programs (14%)
Private medical and other private organizations **Funding:** $42,840,842 **Number of organizations:** 122	Community resource and referral (22%) Breastfeeding assistance (14%) Developmental services (13%)
Departments of health **Funding:** $34,152,396 **Number of organizations:** 124	Community resource and referral (37%) Parenting education (35%) Health insurance enrollment/assistance (33%) Breastfeeding assistance (29%) Nutrition education and assessments (28%) Developmental screening/assessments (28%) Safety education and injury/violence prevention (24%)
Family resource centers **Funding:** $11,883,752 **Number of organizations:** 90	Community resource and referral (38%) Parenting education (38%) Parenting/caregiver support (29%) Recreational/physical activities for children (28%) Early education programs for children (28%) Family literacy programs (22%) Nutrition education and assessments (19%) Service coordination (17%) Safety education and injury/violence prevention (16%) Health insurance enrollment/assistance (16%)
Other county agencies **Funding:** $10,536,947 **Number of organizations:** 75	Community resource and referral (45%) Transportation services or vouchers (38%) Mental health assessments or services (36%) Provision of basic needs (32%) Parenting education (26%) Parenting/caregiver support (23%) Substance abuse treatment/screening (21%) Developmental screening/assessments (21%) Service coordination (19%) Recreational/physical activities for children (19%) Enrollment in food program (15%)

Conclusion

In summary, First 5 California funding has enabled the State and County Commissions to invest in young children during the most critical period (birth to age 5) of their cognitive, social, and physical development. These investments have reached many of California's young children. Close to 20 million young children, parents, and other family members received services or information through First 5 programs in 2004-05; about 3.5 million of these people received direct services, and more than 16 million were reached through community outreach activities. The majority of funding for programs (57%) has been used to provide direct services to children and families, such as preschool classes, preventive health services, and parenting education. Significant investments (13%) also have been made in activities to further develop the skills and resources of service providers and teachers so that they can provide higher-quality child care and education, as well as other services, to children and their families.

First 5 is funding the entire range of agencies that serve young children and their families and is encouraging them to coordinate and collaborate with each other. These investments have funded 2,061 programs to promote family support, early care and education, and child health, and to improve systems of care for young children and their families.

First 5 programs, such as the School Readiness Initiative, are serving the very children who are most in need of its services and supports to be successful when they enter school. First 5 programs have been successful at reaching out to culturally and linguistically diverse populations and to families with children with disabilities and other special needs.

The statewide evaluation found that children and families participating in First 5 programs benefited from those programs. Positive outcomes include improved access to health care, increased participation in preschool programs, increased receipt of developmental assessments, increased frequency of family literacy activities, increased levels of mother's education, and reduced exposure to secondhand smoke.

First 5 efforts and investments are helping communities to better support families, families to better support their children's optimal health and development, and children to be more successful when they begin school and in later life. First 5 is making a difference in the systems of care for California's young children, and children and families participating in First 5 programs are experiencing improvements in child health and development and family functioning. As a result, California's young children are more likely to be successful in school and in life—the ultimate intent of the Proposition 10 legislation, to which First 5 will continue its commitment in the future.

First 5 programs have reached close to 20 million young children, parents, and other family members who reflect the diversity of California's population.

First 5 investments are increasing the availability and quality of important resources for young children and their families to promote children's school readiness.

First 5 is funding the entire range of agencies that serve young children and their families and is encouraging them to coordinate and collaborate with each other.

Children and families participating in First 5 programs had improved outcomes in health, development, early education, and well-being that will lead to success in school and in life.

For more information about First 5 California, go to:
www.ccfc.ca.gov *and* www.first5eval.org

This executive summary and the full Annual Report were prepared by SRI International for the First 5 California Children and Families Commission.