



May 31, 2022

INFORMATION     ACTION

**SUBJECT: FIRST 5 CALIFORNIA BUDGET PLANNING DISCUSSION**

**Strategic Priority Area I:** Child Health

**Goal:** All children thrive by achieving optimal health prenatal through age 5.

**Strategic Priority Area II:** Child Development

**Goal:** All children birth through age 5 have high-quality, nurturing environments that ensure their learning readiness.

**Strategic Priority Area III:** Family Functioning

**Goal:** All families have the knowledge, skills, and resources to support their children's optimal development.

**SUMMARY OF THE ISSUE**

Following the Commission's adoption of a North Star (NS) Statement and Audacious Goal (AG) in 2021, and an overview of current First 5 California (F5CA) investments presented at the January 2022 Commission Meeting, staff will highlight fund account balances, forecast revenue, and propose priorities for future investments.

The budget retreat will cover a variety of topics for Commissioner discussion and consideration, including:

- Presentation from Emily Putnam-Hornstein (University of North Carolina) and Regan Foust (University of Southern California) on the State of Children in California using the Strong Start index.
- Overview of balances for each fund account over the next five fiscal years.
- Update on the tobacco flavor ban proposition with forecasted effect on future revenues.
- Overview of staff recommendations, including how future programs would align to the NS and support children having safe, stable, nurturing relationships and environments (SSNREs).
- Discussion with staff and Commissioners on future priorities that improve systems for groups who have been historically disadvantaged due to systemic barriers.

In support of this item, staff have included multiple attachments as background information. For instance, Attachment B – *First 5 California Fund Condition Summary* is provided during each quarterly Commission meeting. This document contains an added layer of data critical to this discussion that includes an overlay of staff-proposed future investments to illustrate how current and future investments would affect fund account balances over the next five fiscal years.

Additionally, Attachment C – *Table of Current F5CA Projects and Future Investments for Consideration*, provides a comprehensive list of current and future investments by priority area (Child Development, Child Health, and Family Functioning), including the purpose (as authorized by the Commission), funding amount, and term. Most of the current investments were approved prior to the adoption of the NS and AG, and any future considerations proposed in the attachment would require future action by the Commission.

## **SUMMARY OF PREVIOUS COMMISSION DISCUSSION AND ACTION**

Staff presented at the January 2022 Commission meeting to provide Commissioners a brief [overview of F5CA's current investments](#), including a summary of each office's portfolio, a description of what's been learned from their programs, and how they align with the newly adopted NS and AG. Investments were summarized through a targeted universalism approach and included the following:

- Data about how groups of children are faring toward the goal of having SSNREs.
- How targeted investments address disparities among specific groups they it relates to the NS.
- Structural and institutional conditions that continue to be barriers to ensuring all children have the SSNREs necessary to eliminate inequities and ensure healthy development.

## **ATTACHMENTS**

- A. First 5 California Financial Plan
- B. First 5 California Fund Condition Summary
- C. Table of Current F5CA Programs and Future Investments for Consideration
- D. Table of Future F5CA Investments
- E. Historical First 5 California Investments
- F. First 5 California Budget Planning Discussion PowerPoint