

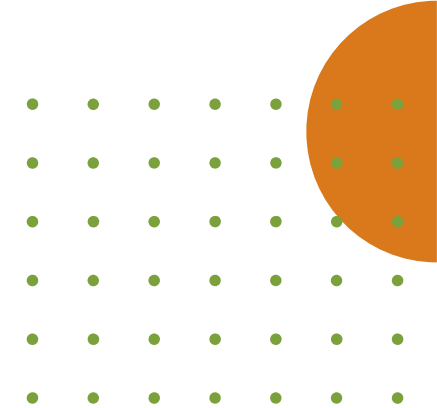


## **First 5 Counties - Revenue Decline, Community Impact, and 2024 Advocacy**

First 5 California Commission Meeting  
January 25, 2024

*Courtney Armstrong, Director of Government Affairs, First 5  
Association of California*





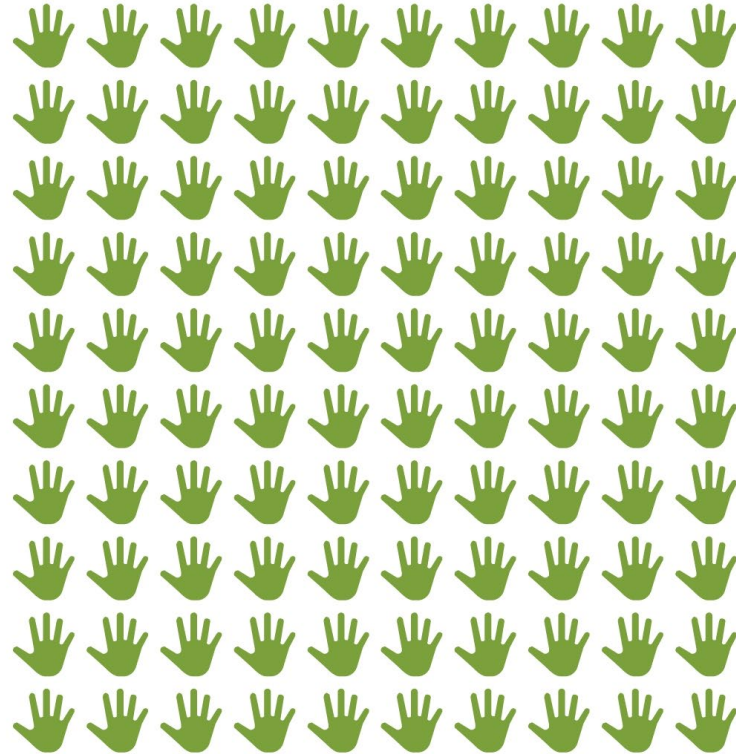
# Overview of the presentation

- Inform Commission of **urgency** facing the First 5 Network due to revenue decline
- Highlight the **impact** on Californian children and families
- Hear from **local First 5s** about what revenue decline means in their counties
- Inform Commission of Association's state **advocacy** plans
- Ask for **partnership** from the Commission to **identify and implement solutions** for BOTH short term challenge and long term sustainability.

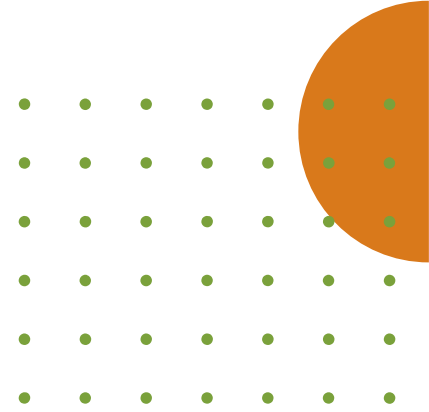


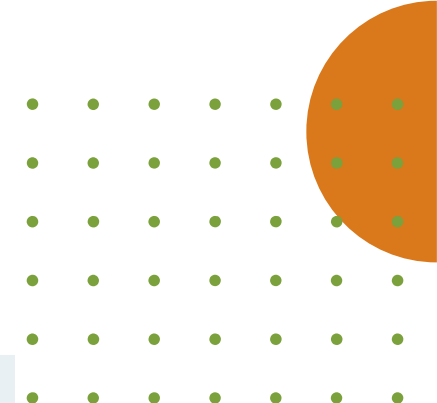
More than  
**1,000,000**

CA Children & Families Served by First 5s Annually



 = 10,000 Children & Families





# Current and Long-term Revenue Challenge

Fiscal Year	Statewide First 5 Tobacco Tax Amount*	Year over year revenue change	Year over year revenue % change	Cumulative Revenue Decline <b>since 2021/22 Baseline of \$386,223,905 (Pre-Flavor Ban)</b>
2021/22	\$386,223,905	\$10,785,876	2.87%	-
2022/23	\$342,528,318	(\$43,695,587)	-11.31%	(\$43,695,587)
2023/24	\$296,778,318	(\$45,750,000)	-13.36%	(\$89,445,587)
<b>Totals</b>		<b>(\$89,445,587)</b>	<b>-24.67%</b>	<b>(\$133,141,174)</b>

In addition to the short term \$133M revenue reduction, flavored tobacco ban has **reset the First 5 revenue floor** creating approximately **\$100M less revenue per year, every year** moving forward from pre-flavor ban revenue.

\*Source: First 5 California - [https://www.cffc.ca.gov/pdf/commission/meetings/handouts/CommissionHandouts\\_2023\\_10\\_19/Item%204%20-%20Financial%20Update.pdf](https://www.cffc.ca.gov/pdf/commission/meetings/handouts/CommissionHandouts_2023_10_19/Item%204%20-%20Financial%20Update.pdf)

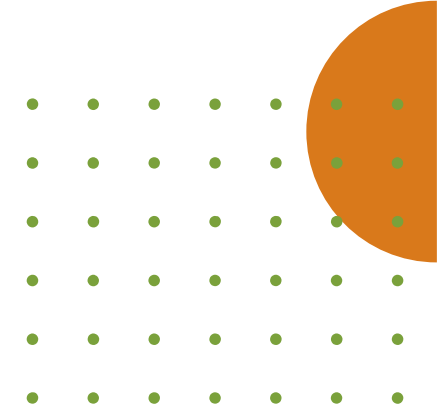


# Majority of First 5 Counties Cutting Investments in Children and Family Services

**42%** of First 5 counties have already made cuts in community investments this year (FY23-24)

**60%** of First 5 counties plan community investment cuts in FY24-25.

\*Source: First 5 Association Survey / 47 of 58 counties responding, representing nearly 90% of the state's children 0-5



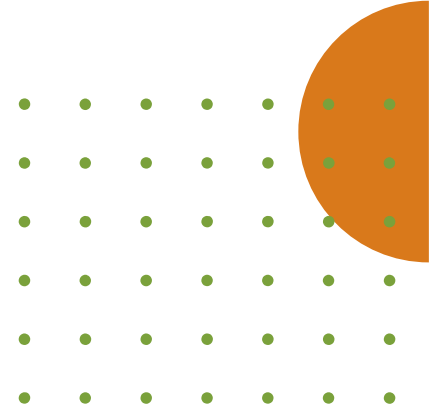
# BUDGET CUTS

## First 5 Program Cuts



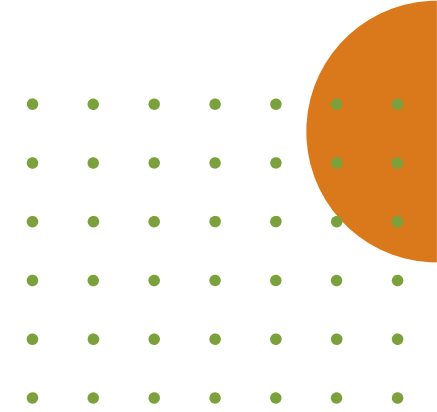
 = 42% of First 5s making cuts in 2024

 = 60% of First 5s making cuts in 2025



# Examples of Cuts to First 5 Investments in Children and Family Services

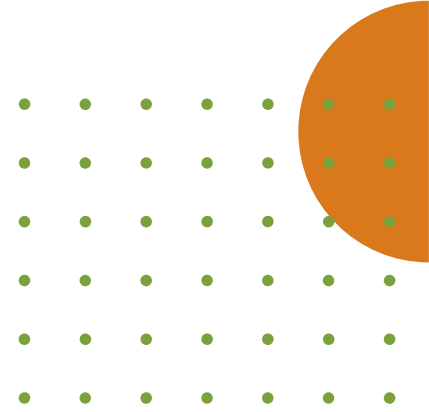
- Laying off First 5 County **staff**
- Closing or reducing operations of **Family Resource Centers**
- Ending **parent support** programs serving local Latinx families
- Ending support for Social-Emotional Development **coaches and consultation** in early learning settings
- Ending investments in **Triple P – Positive Parenting Program**
- Reducing investments in **child care facilities**
- Ending or reducing Infant Early Childhood Mental Health services (**IECMH**). Especially pronounced in counties where First 5 is the only funder of IECMH
- Ending or reducing **home visiting** services
- Ending investments in **211** referral services
- Inability to **leverage** Proposition 10 funding with other grants and funding sources





# Perspective from County First 5s

Heidi Mendenhall / Tehama  
Jennifer Cloyd / Santa Clara





# First 5 Association Advocacy

## 2024 Association Policy Priorities:

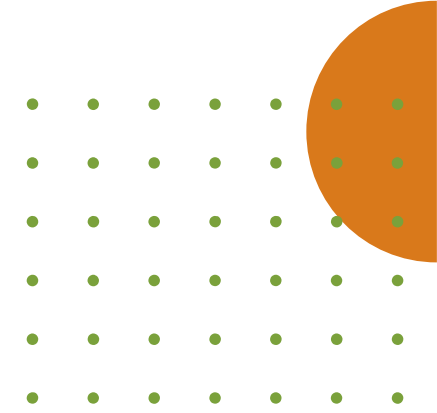
- *Secure funding toward sustainability to both offset the impact of the Proposition 31 flavored tobacco ban and declining tobacco tax revenue.*

## 2024 State Budget Request:

- *One-time \$100 million investment to ensure local First 5s continue serving California's babies, toddlers, and preschoolers.*

## Potential Legislation:

- *Create a workgroup, co-chaired by First 5 Association designee, to craft evidence-based and community-informed recommendations for a statewide comprehensive, equity-focused prenatal to three system agenda for the next decade.*



# Our Request to the First 5 California Commission

- **Partner** with county First 5s and the Association to identify and implement solutions for BOTH short-term challenge and long-term sustainability
- **Allocate** First 5 California funding to stop cuts in direct services for children and their families
- **Advocate** with the Administration and Legislature for funding to prevent immediate county cuts
- **Collaborate** on strategies and timeline for long-term sustainability (*including potentially partnering on state workgroup bill*)



THANK YOU

