



AGENDA ITEM: 9  
DATE OF MEETING: July 18, 2012  
ACTION:   X    
INFORMATION: \_\_\_\_\_

## CONSENT CALENDAR

### A. SUMMARY OF REQUEST:

Approve the following consent agenda items:

1. Approve the April 18, 2012, Commission Meeting Minutes
2. Agreement Ratifications
3. Agreement Approvals

### B. ATTACHMENTS:

Attachment 9A: Draft of April 18, 2012, Commission Meeting Minutes  
Attachment 9B: Agreement Ratifications  
Attachment 9C: Agreement Approvals

**FIRST 5 CALIFORNIA  
CHILDREN AND FAMILIES COMMISSION**

**April 18, 2012**

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

**MINUTES**

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

Chair Jennifer Kent called the meeting to order.

Commissioners Present: Jennifer Kent, Chair  
Patrick Duterte, Vice Chair  
Magdalena Carrasco  
Conway Collis  
Joyce Iseri  
Casey McKeever

Commissioners Absent: Kathryn Icenhower, Ph.D.

Ex Officio Member Present: Jim Suennen

Jennifer Kent, Commission Chair, welcomed members of the State Commission in attendance and announced the permanent designee of Ex-Officio representative, Jim Suennen, appointed by Diana Dooley, Secretary of the Health and Human Services Agency.

Chair Kent announced that Kim Gauthier, First 5 California’s former Chief Counsel, has returned to her work at the Secretary of State’s office. She thanked the Attorney General’s office for stepping up to assist First 5 California on some legal matters.

**DISCUSSION:** None.

**PUBLIC COMMENT:** None.

**Agenda Item 2 – Executive Director’s Report**

Kris Perry, Executive Director, welcomed State Commissioners and recognized Moira Kenney as the new Executive Director of the First 5 Association of California. The Association, under the leadership of its president Harry Freedman of First 5 Riverside, conducted a thorough and extensive hiring process, which resulted in a large pool of very qualified candidates. The fact that Moira emerged as the clear and unanimous

choice speaks to her exceptional qualifications and abilities. Ms. Perry congratulated Ms. Kenney and welcomed her to her first State Commission meeting as Executive Director.

Ms. Perry also provided an update on the following issues:

**Joint Annual Conference**

First 5 California had more than 400 attendees at its Joint Annual Conference with the Water Cooler in February. Ms. Perry announced that the event was an overwhelming success, which was confirmed through the evaluations from conference attendees. Those who responded gave the entire conference very high marks, a 3.5 out of a possible 4 overall.

Commissioners Carrasco, Duterte and McKeever were also in attendance and Ms. Perry thanked all who attended and participated.

Ms. Perry noted that the presenters' PowerPoint presentations are now available on First 5 California's main website for those who would like to access them.

**Child Passenger Safety Partnership with the Department of Public Health (DPH)**

Ms. Perry was pleased to inform Commissioners about First 5 California's successful partnership with the DPH to promote and educate caregivers and families on child passenger safety.

- First 5 California staff member Terry Miller provided critical assistance that enabled the DPH in early March to release funding to 38 First 5 county commissions.
- A portion of these funds are being used to provide car or booster seats for families in need. The funding opportunity was created under the Department's California Kids' Plates Program.
- Ms. Perry gave special thanks to Ms. Miller for her excellent work to help county commissions keep kids safe while traveling in vehicles.

**Child Signature Program (CSP)**

Ms. Perry announced that two Requests for Applications (RFAs) have been released to counties since the January Commission meeting. First 5 California staff worked hard to develop the CSP based on the program elements and parameters approved by the Commission. They were successful in getting both RFAs out in an impossibly tight time frame.

Ms. Perry publicly recognized Diane Levin, Deputy Director of the Program Management Division, and her team, Carmen Padilla and Silvia Flores, for going the extra mile to complete this important work that will result in helping so many of the state's youngest children.

Ms. Perry reminded Commissioners that at the October 2011 meeting, the State Commission gave its approval to complete the development of the CSP, which included producing and distributing a total of three RFAs to implement the program.

The Child Signature Program does the following:

- Builds on past and current First 5 California program investments, including the Power of Preschool (PoP), to provide continuity of these local preschool programs for children and families currently being served.
- Draws from the Educare model with the focus on implementation of its core features.
- Will be accessible to more than the eight counties currently implementing PoP.
- Increases the rigor of program requirements to ensure a movement toward higher levels of quality.

Has a multi-leveled approach, coupled with targeted training and support, designed to meet county center programs where they **are**.

The first RFA was released to the eight PoP counties in February, and focuses on Quality Enhancements.

The second RFA was released at the end of March to all 58 counties, and focuses on Readiness Assessment and Quality Improvement by:

- Supporting assessments to determine strengths and challenges of identified county centers and classrooms.
- Providing targeted training, technical assistance and quality improvement support in all 58 counties for local centers and classrooms not yet participating in PoP.

The third RFA will be released early next year. It will be designed to enhance the quality of PoP in non-PoP counties with centers meeting specific quality criteria.

### **Online CSP Data Collection Form**

First 5 California's IT staff developed an online CSP data collection form. Ms. Perry recognized IT staff, in particular Richard Flores, for the collective effort to create this quality data collection tool. First 5 California is currently in the process of looking for ways to increase internal capacity for future CSP data collection and storage.

### **Signature Program Data Collection**

In October, the Commission approved a time-only extension through December 31, 2012, for the authority to complete the development of a statewide data collection and storage system to support First 5 California's Signature Programs for Teacher, Child and Parent.

In late November, the first phase of the data collection system for CARES Plus (Teacher Signature Program) was launched. In January and early February, First 5 California released two RFAs for the Child Signature Program. The Child Signature

Program, RFA development effort brought to light that the current off-the-shelf software being used to build the data collection system could not fully meet First 5 California's data collection business needs.

Once this became evident, in early March, Ms. Perry announced that she issued a "Stop Work Order" with MCorp, First 5 California's prime contractor. Ms. Perry and First 5 California staff are currently working with the Department of General Services to terminate, consistent with state contract procedures, the remaining months of this contract.

First 5 California will work within the existing Commission authority to continue moving forward on the data collection and storage project utilizing internal and contract resources. We are confident that with contract support and internal resources, First 5 California's skillful IT staff will be able to keep the data collection and storage project moving forward.

### **Teacher Signature Program**

Ms. Perry was pleased to report the finishing of Year 1 of First 5 California's Teacher Signature Program that supports development of the early learning work force, a program called CARES (Comprehensive Approaches to Raising Educational Standards) Plus. Planning for Year 2, which starts July 1, 2012, has already taken place.

There are about 5,000 participants in CARES Plus. A Core Requirement of CARES Plus is the completion of three online courses: *Intro to the CLASS*, *Looking at CLASSrooms (LAC)*, and tobacco training that focuses on the adverse effects of second-hand smoking on young children. Participants have until May 15, 2012 to complete LAC, and until June 30, 2012 to complete the tobacco training.

CARES Plus offers participants the option of several paths or components for professional development to enhance the quality of teaching. These components include California Department of Education sponsored training in Early Childhood Education, higher education units, advisor training, and a pilot program for individualized coaching called My Teaching Partner.

Approximately 240 participants in thirteen counties are involved in the one-on-one My Teaching Partner coaching. In Year 2, twenty counties will participate. With My Teaching Partner, each participant is assigned a coach who reviews biweekly videos of classroom interactions, and then offers the participant individualized feedback.

Also in Year 2, a toddler version of My Teaching Partner, and two of the required online videos, will be available. This will expand the program so that it includes both toddler and pre-K teachers.

Recently, technical assistance for CARES Plus was expanded to include a regional technical assistance program, with five regional CARES Plus coaches assigned to the 34 participating counties.

## **Parent Signature Program**

### **Parent Education Website**

- Ms. Perry announced that the new Parent Education Website has gone live and recommended to bookmark [www.first5california.com/parents](http://www.first5california.com/parents).
- The site features tips, information, and resources geared to parents of children ages 0 to 5. It has sections or “Centers” on Health, Learning, and Activities, as well as Services and Support. To foster parent interaction, there are quizzes and connections to social networks. A search engine helps parents find information quickly and also connects them with their local First 5 county commission.
- Research has shown that more Californians of all ethnicities have dramatically increased their access to the Internet via a smart phone or cell phone, and the Parent Education Website has been designed for clear viewing on these devices, as well as on tablet computers.
- Since its launch in 2009, the current Parent microsite, a placeholder until the more robust site was built, has received more than three million visits.

### **Public Education and Outreach Campaign**

- Another key part of the Parent Signature Program is First 5 California’s Public Education and Outreach Campaign, which will launch this month. The campaign will touch all of California’s 58 counties, targeting families hit hard by these difficult economic times. This year’s campaign will continue to focus on the importance of healthy eating, physical activity and early language/literacy development during the first five years of a child’s life.
- The 2012 campaign will closely mirror last year’s effort. In an evaluation study of last year’s campaign, it showed a positive impact on key behaviors among low-income parents.

### **Hands-on Health Express**

- The Hands-on Health Express, First 5 California’s bilingual children's exhibit, travels across California with the goal of inspiring families to eat right and stay physically active. The Express continues to be a popular part of the Parent Signature Program.
- The tour is extended to eight months this year. It kicked off on March 2 and runs through the end of October.
- As in the past, the goal is to target events that draw large, diverse crowds of families with young children, especially those in low income areas. The tour schedule is posted on our Facebook page: [www.facebook/firstfivecalifornia](http://www.facebook/firstfivecalifornia).
- Over the last six weeks, the tour has visited seventeen events in eight counties. So far this tour, the Express has engaged in one-on-one interactions with nearly 7,000 children and families, and distributed nearly 6,000 educational resources.
- Ms. Perry announced that the Express will be attending the Festival de la Familia in Sacramento on Sunday, April 29 at Cal Expo.

**DISCUSSION:** Vice Chair Duterte asked about the relationship between the CSP and Race to the Top. He noted that with Race to the Top, there are significant

new financial resources coming in and expressed the importance of not having these two efforts conflict with each other. Specifically, he asked that someone review the overlap and gaps between the two projects to ensure alignment. Ms. Perry responded that she would make an effort to meet with the administration of the California Department of Education (CDE) over the Race to the Top funds and share First 5 California's RFA and other requirements to see where we can speak in a unified voice and discuss collaboration. She agreed to be more pro-active about getting the Commissioners information about the specific details on how the two projects are woven together.

Chair Kent asked if the M Corp data collection contract was approved at the October Commission meeting. Ms. Perry said the State Commission approved an extension of the funding authority for that activity and more time to complete that project. As a result, First 5 California became more focused on timing and deliverables and its overall needs in the CSP, which resulted in both parties acknowledging that the product that M Corp selected could not meet First 5 California's business needs.

**PUBLIC COMMENT:** John Fisher (First 5 Alpine) read a letter from 16 small counties regarding the Child Signature Program. He stressed to the State Commission that if small counties do not apply for the RFA 2, the primary reason will be their inability to make the project work locally, not lack of interest. He noted that the State Commission staff has been in conversation with small counties, but that the basic requirements, in particular the ten classroom minimum, make the project unlikely to be successful in the smallest counties. The scope is simply too big and structural barriers make it very difficult to meet the minimum requirements. Vice Chair Duterte asked for clarification on the minimum classroom counties without ten eligible classrooms.

Commissioner Casey McKeever asked if there were challenges in forming consortia of counties. Mr. Fisher explained that this was difficult, particularly given the large geographic area that would have to be covered with limited hours.

Chair Kent asked if Mr. Fisher was aware that these requirements would pose challenges for counties. Mr. Fisher said although he was not involved, there was some input process involved before the RFA was released. He indicated that there have been conversations before and after the process, specifically between small counties and First 5 California program staff.

Vice Chair Duterte asked as well for clarification on the process of consultation with counties during the program design process. Ms. Perry talked about the ongoing conversations with the Association and county commission staff on the CSP development. She also stated that staff is well aware of the challenges facing small counties, since there were similar challenges during School Readiness. However, Ms. Perry clarified that RFA 2 allows any county to participate because of its free training, technical assistance, and staffing support

to improve early learning systems in counties whether they have a PoP program or not. First 5 California felt that this RFA was the most accessible to any county. Ms. Perry said that small counties are given an augmentation by the State Commission for general operating needs. She encouraged counties to look at that augmentation in combination with what is being made available with the RFAs to see if counties can find a way to do staffing that allows them to coordinate systems and participate in a new group of experts in the State whose knowledge could be leveraged. She acknowledged that it is harder for smaller counties; however, there are still resources available to small counties for three whole years to work on and improve the systems they do have.

Karen Pautz (First 5 Siskiyou) responded that they welcomed the opportunity to work more closely with First 5 California. She said small counties greatly appreciate the support of the augmentation. She strongly feels that there is room to continue to benefit from small county augmentation and also have the flexibility and the opportunity for something more inclusive for small counties. Flexibility is key to the success of programs in small population counties.

Vice Chair Duterte and Chair Kent both stated that First 5 California needs to be serving all counties. Real effort needs to be made to ensure that counties have the resources to participate, and that programs are not designed that exclude small counties.

Ms. Perry explained that RFA 2 is not only for counties to become a PoP county. Many counties who join may elect not to apply for PoP funds and still participate in and be provided with free, consistent and reliable high quality training and technical assistance for three years under RFA 2.

Diane Levin, Deputy Director of the Program Management Division, said she wanted to ensure that the State Commissioners understood the intent of RFA 2, which was conceived primarily to expand the existing infrastructure that a group of eight counties that have been participating in for seven years in the PoP Program. First 5 California has had ongoing dialogue with counties through the coordination with the Association, where small counties have indicated that they did not stand a chance to participate in a PoP-like environment.

This led First 5 California to conceive of an opportunity to allocate funding, which does not have to be matched at the county level, to provide an infrastructure of training and technical assistance through the coordination of an Early Learning System Specialist (ELSS). The function of the ELSS and the caseload allocated to an ELSS is to broker services through a statewide training learning academy. Much of the training and technical assistance will be provided by a contractor who will create a training program that will accommodate the needs of the counties regardless of county size, and be specifically designed to accommodate the needs of small counties who exist in regions that are unreachable otherwise.

Ms. Levin said there are greater opportunities for counties than there ever had been before. Those counties who participate in RFA 2 do not have to go on to RFA 3. Centers that participate in RFA 2 will receive three years of technical assistance and training, grooming them to develop the infrastructure and quality pieces that would be necessary should they decide to become a PoP-like environment.

Chair Kent said she did not think it was fair to set a minimum threshold that counties could not physically meet. Commissioner McKeever said he was not convinced of that, as the consortia concept was to allow a combination to have a sufficient number of classrooms and children served to meet some kind of staffing standard. He said everyone had challenges to comply with the requirements of the program.

After continued discussion, Ms. Perry said there has always been a great intent for full statewide inclusion in the program and indicated that First 5 California would continue to reach out to the small counties and the First 5 Association to address the barriers that concern the small counties to ensure that the greatest number of counties are able to participate.

### **Agenda Item 3 – First 5 Association of California Report**

Moira Kenney, Executive Director of the First 5 Association, provided an update on Association activities as follows:

- The Association is eager to work with the State Commission staff on the issues raised regarding RFA 2, and appreciated the willingness of First 5 California staff to revisit the RFA.
- With the conclusion of the AB 99 litigation and the State's decision not to appeal the court ruling, county commissions are now working to direct those funds, which had been set aside for the AB 99 claim, back to local services and outcomes, in accordance with their Strategic Plans.
- The Association has launched a new website and video highlighting the long-lasting and wide-ranging impact that poverty can have on young children.
- The Association is finalizing a study, requested by the Heising-Simons Foundation, on the role county commissions are playing in the planning and implementation of transitional kindergarten.
- First 5 Sacramento has been instrumental in supporting Senator Steinberg's investigation into the provision of dental services to Medi-Cal eligible children in Sacramento County, providing both the research that indicated the need for reform, as well as investing in oral health care services that served over 5,000 children and nearly 8,000 parents last year.
- To support the need for broad-based oral health education, First 5 Santa Clara has launched an education campaign with 21 community partners, including their Power of Preschool sites.
- Last month, First 5 Monterey hosted a presentation by Nobel Laureate James Heckman on "Building a Productive Workforce and Strong Economy from Birth."

The presentation and conversation with First 5 Commissioner Simon Salinas was broadcast across the state, reaching over 1,200 people, including staff from First 5 California.

**DISCUSSION:** Vice Chair Duterte applauded the individual work being done at the county commissions. He would like to see what the most common and top priority goals and objectives of the counties are to see where the State Commission might collaborate with counties on goals and objectives. Ms. Kenney said she would welcome dialogue as counties are moving in the same direction.

**PUBLIC COMMENT:** None.

#### **Agenda Item 4 – Legislative and Budget Report**

Marsha Jones, Chief Deputy Director, provided a brief update on the state budget and on recent legislative activity.

The focus of legislative members continues to be the anticipated revenue shortfall for Fiscal Year (FY) 2012-13. The Senate Budget and Fiscal Review Subcommittee on Education held a hearing on child care and early education. On the agenda were the Governor's proposed permanent budget cuts that impact state preschool, transitional kindergarten, child nutrition, and child care quality improvement activities. The subcommittee was generally in favor of waiting until the release of the Governor's May Revise before making recommendations, in the hopes of seeing an income tax revenue surge in April.

Ms. Jones expressed how the work at First 5 California is more important now than ever for low-income families of children who continue to face uncertain times and declining resources.

**DISCUSSION:** Vice Chair Duterte thanked the staff for the current bill list, and asked if staff could highlight the bills of most interest. Ms. Jones explained that legislatively, the attention and main focus is on the budget. Legislative bills that have a fiscal impact are the issue. Chair Kent said if those bills make it to the second house that the Legislature does not move them. She pointed out that issues that move through the Legislature are items with little to no cost, such as push pins.

Commission McKeever asked if the State Commission has taken official positions on any legislation. Ms. Jones said yes; however, bills with a fiscal impact are not moving through the Legislature. Ms. Jones said the State Commission did take a support position on, and advocated, for transitional kindergarten, which has now ended up in the Governor's Budget. Commissioner McKeever asked if First 5 California was on record for taking any positions for the current legislative session. Ms. Jones said no, due to the State's fiscal situation and the list of bills moving through the Legislature. Commissioner Collis said it would be useful to obtain recommendations from First 5 California if it feels

strongly that it is important for the State Commission to take a position and be involved pro-actively. He thought the State Commission should be pro-active with legislation regardless of the State's fiscal situation.

**PUBLIC COMMENT:** None.

### **Agenda Item 5 – Financial Update**

Sandy Beck, Chief of Administrative Services, provided the State Commission with an update on revenue projections and First 5 California's Financial Plan.

#### Revenue Projections

Since the last Commission meeting, there have been no changes to the revenue projections and no significant changes to First 5 California's Financial Plan.

First 5 California's actual FY 2011-12 revenues, received to date, are tracking very close to revenue received last year during the same period. If this trend continues over the next four months, First 5 California may not experience the typical 3 to 4 percent decline this fiscal year. However, cigarette and tobacco tax rates are unpredictable from month to month. First 5 California will continue to monitor the tax revenues closely.

Ms. Beck said that she will communicate the May Revised tax projections and the impact of those tax projections on First 5 California's Financial Plan at the July Commission meeting.

#### First 5 California Financial Plan

The financial plan provides information on carryover, expenditures, revenue, and year-end balances by account for the prior year, the current year, and three budget years.

The Financial Plan begins with the actual (or audited) FY 2010-11 year-end cash balance available for carryover to FY 2011-12. The remaining financial information in the plan is based on projected revenues and expenditures.

The organization of the Financial Plan allows First 5 California to manage and analyze cash flow.

- The beginning balances for each account represent either the actual or projected cash balances at the beginning of each fiscal year.
- The subtotal in each account subtracts the projected fiscal year expenditures from the beginning cash balance. A negative number in the subtotal line item DOES NOT represent a deficit, but the amount of current year revenue needed to meet the current year obligations.
- The projected year-end balance, when reconciled at year-end, becomes the actual beginning cash balance for the following year.

Since the release of the January Financial Plan, a few changes have occurred.

The most notable change is a redistribution of the amounts of projected multiple account expenditures to ensure the Financial Plan did not include any negative fund balances. This includes shifts in the Child Signature Program funds, and monies reserved for AB 99. The Signature Program Funding Summary includes the current Signature Program fund amounts assigned to each account.

There were also typical changes to contract budgets. For example, there were some shifts in contract expenditures for multi-year contracts between FY 2011-12 and subsequent years. Also, with the Governor's elimination of the Early Learning Advisory Council (ELAC), unused funds from the contract were returned to the Unallocated Account.

In addition, where carryover was authorized, some signature program expenditures shifted from FY 2010-11 to 2011-12 and subsequent fiscal years (for example CARES Plus funding).

**DISCUSSION:** Commissioner Iseri mentioned the initiative on the June ballot that would raise the tobacco tax. She asked if First 5 California looked to see what impact the initiative would have on First 5 funding. Ms. Beck said that First 5 California would contact the Board of Equalization to discuss what the impact would be to the cigarette and tobacco products tax. Chair Kent said she recalled that there was backfill language included in the initiative.

Commissioner McKeever said in regards to the AB 99 court decision, there is still \$50 million spread through First 5 California accounts. Ms. Beck indicated that amount had been maintained within the spending plan. Commission McKeever clarified that amount was still available for redistribution for other purposes.

**PUBLIC COMMENT:** None.

**Agenda Item 6 – Pending Litigation: Closed Session**

**Agenda Item 7 – Personnel Matters: Closed Session**

**Agenda Item 8 – State Controller's Office Contract Authority for First 5 County Commissions Annual Audit Process**

Terry Miller, Chief of Contracts and Procurement, requested Commission approval of up to \$250,000 to reimburse the State Controller's Office (SCO) for actual expenses for the performance of the county commission expanded audit work required by statute. In 2005, legislation was enacted that amended the California Children and Families Act to require the SCO to perform expanded audits of county commissions. This legislation became effective on January 1, 2006. The statute also requires that First 5 California reimburse the SCO for actual expenditures for these services, subject to the availability of funding.

**MOTION/ACTION:** Vice Chair Duterte moved that the Commission approve \$250,000 to reimburse the State Controller's Office for actual expenses for FY 2012-13 for the performance of county commission expanded audit work as defined in California Health and Safety Code Section 130151. The motion was seconded by Commissioner Iseri.

**DISCUSSION:** None.

**PUBLIC COMMENT:** None.

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

**Agenda Item 9 – Kit for New Parents 1-800 Line Contract Authority**

Terry Miller, Chief of Contracts and Procurement, requested Commission approval to amend an existing agreement with the Language People for up to \$150,000 in additional funds for First 5 California's 1-800 toll-free line.

First 5 California's toll-free line has been in existence for several years providing the public 24/7 access to information in six languages on First 5 California programs. The 800-line is also one of the main points of contact with the public for distribution of the *Kit for New Parents*.

As a result of a competitive bid process, in FY 2011-12, First 5 California contracted with the Language People to provide these services. Included in the terms of the contract was the ability to extend this agreement for one additional year at the current rates. Extending the agreement would result in an amendment to the agreement for a maximum authority for up to \$300,000 for a two-year period.

The amendment of this contract would provide First 5 California the ability to continue essential public education and outreach support services.

**MOTION/ACTION:** Vice Chair Duterte moved that the Commission approve amending the current contract with \$150,000 in additional funds for actual expenses up to \$300,000 for FYs 2011-12 and 2012-13 to continue distribution of the *Kit for New Parents* and other collateral materials associated with First 5 California's public education and outreach efforts via the 1-800-KIDS-025 telephone line. The motion was seconded by Commissioner Collis.

**DISCUSSION:** Commissioner Iseri said now that First 5 California has renewed the contract with Fraser Communication for parent outreach, she asked if this request could possibly be folded into the functions or duties performed by Fraser Communications. Ms. Miller said it was not originally included in the competitive bid at the time, but Fraser Communications was bid out. Historically, it has been in other public outreach contracts, but was not included this time. It might require some type of amendment to that contract. We do bid this out each year because it also allows First 5 California to access its small business commitments and

work very collaboratively with not only Fraser Communications, but also with our *Kit for New Parent* ALOM Distribution Company. Commissioner Iseri asked if there was sharing of information in regards to contact with new parents. Ms. Miller said yes and indicated that most all of First 5 California's public education outreach materials and information has reference to the 1-800 toll-free number.

**PUBLIC COMMENT:** None.

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

**Agenda Item 10 – Department of Developmental Services Interagency Agreement**

Mark Hutchinson, Chief Deputy Director of the Department of Developmental Services (DDS), requested the State Commission to approve \$50 million in funding for continued support of the DDS's Early Start Program.

For the last two years, the State Commission has provided \$50 million in support to the programs at DDS for services. In that time in the last two years, DDS has been able to serve over 30,000 infants and toddlers with those funds to provide the services that are provided to individuals with developmental disabilities.

The current year budget assumed that DDS would get a \$50 million contribution from First 5 California. Mr. Hutchinson said that he hoped that the State Commission was willing to provide those funds to DDS to ensure continued services in the current year. In the current year, DDS already served 17,000 infants and toddlers that are new to the program. Without these funds, DDS would be unable to continue those services.

The services that individuals receive from DDS falls under three distinct programs:

1. Early Start Program – serves infants and toddlers ages 0 to 2
2. Lanterman Act Program – serves individuals ages 3 years and older
3. Prevention Program – also serves children from ages 0 to 2

The services that these individuals receive include **behavioral, assessment**, parent training, and early intervention services.

Mr. Hutchinson said that funding provided by the State Commission is consistent with First 5 California's mission and is necessary for DDS to be able to continue to provide services in the current year. The Governor's Budget for this budget year does not include or assume funding from the State Commission at this time. Mr. Hutchinson restated that this request is just for the current year. Last year, when DDS came to First 5 California to request funding, DDS came with a current year and a **budget year ask**. DDS only requested funding for this current year.

Commissioner Iseri asked in what year 17,000 new babies were served. Mr. Hutchinson verified that services were provided in the current year. He continued to say that First 5 funding would be available to new individuals in the program. In the last two years,

Mr. Hutchinson estimated that 34,000 infants and toddlers received services in that two-year period. The funding goes to services for those new children in the program.

Commissioner Iseri asked if there was any way to tell how far the \$50 million went in serving those new babies. What percent of the new babies were served by that amount? Mr. Hutchinson said most of the new babies are served by First 5 dollars. He noted that the Early Start Program, which is the bulk of DDS's 0 to 5 population, is around 36,000 individuals. The Lanterman Act Program serves children 3 to 5 years. Eligibility criteria for the Lanterman Act is different from the Early Start Program. About 20 to 22 percent of individuals that are served in the Early Start Program transition to the Lanterman Act Program.

Mr. Hutchinson explained that the Lanterman Act Program is **the** lifelong entitlement program. Services to infants and toddlers age 0 to 2 are primarily for purposes of mitigating the impacts of delays or developing disabilities so that children do not end up in the Lanterman Program.

Commissioner McKeever clarified that there are three distinct programs: Early Start, Lanterman, and a Prevention Program. Of the \$50 million, he asked if there was a way to allocate the \$50 million among those three programs. Mr. Hutchinson said that DDS does not fund the Prevention Program. The Prevention Program was created a couple of years ago in the 2009-10 Fiscal Year as a carve out of DDS's Early Start Program. This funding would not be for that program. This funding would be primarily for Early Start Program services as well as to those children that transition into the Lanterman Program.

Commissioner McKeever asked how much of the total amount requested would be for the Early Start Program, as opposed to the Lanterman Act. Mr. Hutchinson said he did not have that breakdown with him but would guess that it is very close to about 80 to 85 percent. The Education Program really takes over a lot of DDS services for children aged 3. The Regional Centers support of individuals aged 3 to 5 is less than it would be for 0 to 2. Mr. Hutchinson said that is why he thinks it is around 80 to 85 percent, maybe even higher.

Commissioner McKeever asked if the services are provided by the Regional Centers. Mr. Hutchinson confirmed that was correct.

Commissioner McKeever asked if DDS had a way to document how much of the services they provide go towards children ages 3 to 5, as opposed to other eligible persons with developmental disabilities. Mr. Hutchinson said that DDS does document cases by individual and that they would be able to track how many children were ages 3 to 5. He said services are tracked in their system back to the individual. Data can also be pulled by age group. Much of the regional service costs are for ages 3 to 5; however, it is possible to document those services.

Commissioner McKeever asked if the money allocated to the Regional Centers contains some set aside for populations from this particular appropriation. Mr. Hutchinson said no.

He indicated that the funding when it is allocated to the Regional Centers are for services that they would need. Because there are 21 Regional Centers, some of them, based on the allocation of this amount, would be able to provide services to children ages 0 to 2 and not have any need for the funding for the 3 to 5 age range. Other Regional Centers may have a different mix in their population and may use more of the money for 3 to 5.

Commissioner McKeever asked if there was any difficulty in identifying and verifying that the money that is allocated goes only for children 0 to 5. Mr. Hutchinson said DDS provides those assurances. In Fiscal Year (FY) 2009-10 when the State Commission provided funding to DDS, as part of that agreement, DDS was required to have an independent audit. That audit was completed. The results of the audit indicated that DDS was in compliance with the terms of the agreement, which were for services for children 0 to 5. They tested expenditures to ensure DDS had ensured it was able to track services back to specific individuals. The FY 2010-11 funding also requires an audit and DDS is in a contracting process for the auditor to do that review.

Vice Chair Duterte thought that the decision in the Fresno Superior Court was troubling, because it talks about supplantation of existing programs. He asked if there was anything new that has happened in the last couple years that these monies could be used for these purposes. He struggled with the idea that these dollars are being used to supplant the shortfalls of the state. There is certainly no problem in creating new programs. Vice Chair Duterte said he wanted to fund the request, but as a State Commissioner and looking at the decision that was made in the Superior Court in Fresno, he thought the issue of supplantation was a problem. Mark Hutchinson said the first year DDS came to the State Commission, the issue of supplantation was a large part of the discussion. He said a legal analysis was provided regarding the circumstances as to whether this was in fact supplantation. It was determined that it was not supplantation based on the fact that the services are for new children and new services not otherwise funded by the Administration's budget.

Commissioner McKeever asked prior to First 5 California funding if services for the Early Start Program were funded by General Fund dollars. Mr. Hutchinson said the Early Start Program is funded both by the General Fund and Federal Fund Grant. The grant is around \$50 million and the remainder was General Fund dollars. He said the population in the Early Start Program was growing beyond that. DDS was continuing to add funding to that program. It was in FY 2009-10 that DDS was unable to provide the additional funding to support that growth.

Vice Chair Duterte asked if the requested funding was to support the growth. Mr. Hutchinson said it was it was to support both the growth and new children in the program.

Commissioner Iseri asked if this \$50 million in First 5 funds was not available, would DDS not be able to fully fund its caseload? Mr. Hutchinson said that was correct.

Commissioner McKeever asked if DDS was only requesting one-time funding for the current year. Mr. Hutchinson confirmed that DDS was **only asking** for funding for the current year. Commissioner McKeever said this would be the third year of **funding and** Mr. Hutchinson said that was correct.

Commissioner McKeever said he realized that there are so many uncertainties that it is impossible to predict everything. He said he thinks the budget picture for the State Commission and for First 5 California looks different next year, given commitments that have been made and **given** other obligations. Commissioner McKeever wondered if there **was** any way of projecting whether DDS **will** return for another request. Mr. Hutchinson recognized the generosity of the State Commission over the last three years. He agreed that there are **certainly** uncertainties; however, the Governor's Budget for the current budget year did not contain **that** assumption that we would use \$50 million, so it's not in DDS's budget today.

Commissioner Collis clarified on the point that these funds would be used to supplement existing services at the Regional Centers. Mr. Hutchinson said that was correct.

Commissioner Collis asked if DDS would assure the State Commission that they would **not be supplant** monies either from local or state General Fund dollars or General Fund accounts. Mark Hutchinson said he could absolutely make that assurance.

**MOTION:** Commissioner Collis moved that the Commission approve the Department of Developmental **Services** request for \$50 million for Regional Center services provided to children ages 0 to 5, through the Early Start Program, pursuant to the Lanterman Development Disabilities Services Act. The motion was seconded by Commissioner Iseri.

**DISCUSSION:** Commissioner McKeever said it **seemed** like there was \$50 million that was allocated in FY 2011-12 for funds that the Legislature intended to transfer under AB 99 that **seemed** not likely to be spent. He said he thinks that for this year, the use of that money for this purpose **seems** to be appropriate. These are programs and services that are pretty vital. He was supportive of the request for those reasons.

Chair Kent said that it would also be consistent with the purposes of the California Children and Families Act. Commissioner McKeever agreed.

Vice Chair Duterte commented on what Commissioner Collis said about supplantation. **He said he** felt confident with the answer that was given and was in support of the request.

**PUBLIC COMMENT:** Lisa Watson (First 5 Kings County) stated that Mr. Hutchinson had described the Lanterman Act as an entitlement program. She asked if the State would be required to provide these services if the State Commission didn't allocate the \$50 million to it. Mr. Hutchinson said for children

ages 3 to 5, **yes that** would be the case. Under the Lanterman Act, the Regional Centers are responsible for providing any services that are identified in the consumer's individual program plan. Ms. Watson asked about the Early Start Program. Mr. Hutchinson said that Early Start is not an entitlement program.

Kris Perry said that First 5 California staff is concerned about the entitlement program portion of this request. She informed Mr. Hutchinson that First 5 California might need to do further analysis. Ms. Perry said she couldn't tell Mr. Hutchinson what some of the challenges might be, but that is a different program than Early Start. First 5 California may have to look at DDS's percentages, who the auditor was, how DDS determined supplanting vs. supplemental, entitlement vs. not, just to be sure that the nature of this request is consistent with the California Children and Families Act.

Commissioner McKeever asked if an audit had been done since the first year. Chair Kent said that DDS is in contract for the second year.

Ms. Perry asked who conducted the first audit and if it was an internal audit. Mr. Hutchinson said he did not know the name of the auditor but did confirm that it was an independent audit. He said DDS brought in an organization and that he believes the agreement with the State Commission stated that the audit had to be an independent one.

To provide greater comfort in this request, Chair Kent asked **if it would it** be appropriate for the State Commission to amend the motion to say that it is **up to** \$50 million for children 0 to 5 in the Early Start Program, making it clear that it is not the entitlement.

Commissioner McKeever asked if that would be for children ages 0 to 2.

Chair Kent asked if a child in the Early Start Program can be 0 to 5 years of age, or are they in the Lanterman Act once they reach age 3? Mr. Hutchinson explained that once a child reaches 3 years of age that they have to be in the Lanterman Act to receive services from the Regional Centers. The Early Start Program goes to age 2. At age 3, they either exit the program or go into the Lanterman Act Program based on their eligibility.

Commissioner Collis asked if the \$50 million would be fully utilized if it was allocated solely to the Early Start Program. Mr. Hutchinson said absolutely and explained that most of the kids that come into the system come in through the Early Start Program. DDS rarely has new kids **aged 3 and 5**. Those are the kids that would have transitioned from the Early Start Program. DDS does have parents that do not learn of the Regional Centers until after age 3; however, the vast majority of kids are from the Early Start Program. Mr. Hutchinson said DDS can certainly limit funding strictly to the Early Start Program and fully utilize those funds.

Commissioner Collis **said that since it is clear** that the funding would supplement and not supplant and/or not have the potential of supplanting existing county or state General Fund money if allocated solely to the Early Start Program, **he amended his motion as follows:**

**AMENDED MOTION:** Commissioner Collis moved that the Commission approve the Department of Developmental Services request for \$50 million solely to the Early Start Program.

Chair Kent re-read the motion as she understood it from Commissioner Collis as follows: Commissioner Collis moved to approve funding of up to \$50 million in Fiscal Year 2011-12 to pay for new Regional Center services provided to new children in the Early Start Program ages 0 through 2. The motion was seconded by Commissioner Iseri.

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

#### **Agenda Item 11 – Consent Calendar**

The Commission considered approval of the consent agenda items:

- January 18, 2012, Commission Meeting Minutes
- Agreement Ratifications: [April 18, 2012 Agreement Ratifications](#)

**MOTION/ACTION:** Vice Chair Duterte moved that the Commission approve the consent calendar. The motion was seconded by Commissioner McKeever.

**DISCUSSION:** None.

**PUBLIC COMMENT:** None.

**VOTE:** The motion was approved by a unanimous vote of the members present with the exception of Commissioner Collis who abstained from voting on the January 18, 2012, Commission Meeting Minutes, as he was not present at that meeting.

**FURTHER DISCUSSION:** Chair Kent asked Ms. Perry if an agenda item needed to be added to the July Commission meeting on a follow-up issue in regard to the Board of Equalization. Ms. Perry asked if Commissioners would like that item presented in her Executive Director's report or as a separate item. Commissioner Collis requested it be a separate item in the event there is an issue that needs to be discussed.

**Agenda Item 12 – Adjournment**

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

The next scheduled Commission Meeting is July 18, 2012, in Sacramento, California.

**FIRST 5 CALIFORNIA COMMISSION MEETING**  
**AGREEMENT RATIFICATIONS**

Purchase Order Number	Vendor Name	Service/Product	Contract Amount	Executed
<b>Information Technology</b>				
CFF 4711 A1	Sandhill Software Development	Zero dollar amendment to execute a time extension of the existing agreement to December 31, 2012, to maintain information technology system documentation and maintenance services for the Preschool Evaluation Data System (PEDS).	No Cost Time Extension	5/16/2012
CFF 4823	ExtraView Corporation	Purchase of ExtraView software licenses to support the platform for the CARES Plus data collection and storage system.	\$18,667.50	5/30/2012
CFF 4830	Capitol Network Solutions	Purchase of equipment (Dell Equallogic PS4100E) to expand storage capacity and service support.	\$20,531.64	6/8/2012
CFF 4831	Capitol Network Solutions	Purchase of two-year second-level IT service and support on "as needed" basis for infrastructure consisting of Citrix, Cisco, Microsoft, Dell, VMWare, and similar network equipment and products (through June 30, 2014).	\$15,000.00	6/26/2012

Contract Number	Contractor Name	Description of Services	Total Amount	Date Executed
<b>Budget Solution</b>				
CFF 7288	Department of Developmental Services	State Budget Solution for FY 2011-12: Early Start Program	\$50,000,000.00	5/11/2012
<b>Information Technology</b>				
CFF 7226 A2	M Corp	Zero dollar amendment to maintenance and operation agreement to incorporate clarifying contract language and to adjust budget line item costs with no change in previously approved contract amount.	No Cost Amendment	3/23/2012

**FIRST 5 CALIFORNIA COMMISSION MEETING  
 AGREEMENT RATIFICATIONS**

Contract Number	Contractor Name	Description of Services	Total Amount	Date Executed
<b>Administrative</b>				
CFF 7237 A1	Go-Getters	Amend existing courier services agreement to extend services to FY 2012-13 at the same rates submitted with original bid proposal, consistent with the terms of the original agreement.	\$16,740.00	6/26/2012
CFF 7287	University Enterprises, Inc.	Procure student services, as needed, to perform mission critical work.	\$150,000.00	6/21/2012
CFF 7290	State Controller's Office	Interagency agreement required to process requested expedited claims	\$6,000.00	6/29/2012
<b>Program</b>				
CFF 7262 A1	California State University, Sacramento, College of Continuing Education	Zero dollar amendment to adjust line item budget to reflect actual costs.	No Cost Amendment	6/6/2012

**FIRST 5 CALIFORNIA COMMISSION MEETING**  
**AGREEMENT APPROVALS**

Contract No.	Contractor Name	Description of Request	Original Contract Authority		Amended Contract Authority	
			Amount	Term	Amount	Term
CFF 4776	Infinity Consulting Group, Inc.	Extend the term of the current agreement and approve funds to continue IT project management support services for the implementation of the CARES Plus data collection and storage system for First 5 California. This project management expertise is essential for the effective management of the maintenance and operations tasks of the CARES Plus data collection system and will ensure that First 5 California is able to meet the program requirements through FY 2012-13.	Up to \$150,000.00	Beg: 11/21/2011 End: 09/30/2012	\$300,000.00	Beg: No Change End: 06/30/2013