

**FIRST 5 CALIFORNIA
CHILDREN AND FAMILIES COMMISSION**

July 15, 2009

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

MINUTES

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

Vice Chair David Kears called the meeting to order.

Commissioners Present: David Kears, Vice Chair
Carla Dartis
Maria Minon, M.D.
Molly Munger
Eleni Tsakopoulos-Kounalakis

Ex Officio Members Absent: Dr. Glen Thomas
Joe Munso

Vice Chair Kears welcomed commission members and commented on the unprecedented fiscal challenges with the state’s budget that will inevitably include cuts to services for children and families. He stated that the charge of First 5 state and county commissions is to utilize funding in the best way moving forward and to remember that they are part of a larger system. Vice Chair Kears urged commissions to work together and be supportive of one another during these extraordinary and difficult times.

PUBLIC COMMENT: None.

Agenda Item 2 – Executive Director’s Report

Kris Perry, Executive Director, expressed her gratitude and thanked First 5 staff for all their efforts in the face of numerous challenges facing the state due to California’s budget deficit and the dire fiscal crisis, including Governor-mandated furlough days. She acknowledged that First 5’s strength comes from the dedicated staff and commissioners who support First 5 programs and services designed to help us move closer to our goal to ensure every child in this state enters school healthy and ready to learn. Ms. Perry further provided an update and reported on the following items:

Public Education Campaign

First 5 California launched its latest statewide media campaign in June. A slide show was presented, along with the song running on radio stations statewide, to show several messages currently appearing on billboards, buses, and other sites. The feedback received regarding the campaign has been overwhelmingly positive.

Prior to the launch of the campaign, an overview of the new campaign was presented to the 58 First 5 county commissions via an online Webinar. First 5 met with and continues to be in conversations with a number of different regions regarding ways to improve the campaign and how to effectively coordinate state and county efforts.

State Budget

The state faces an unprecedented budget shortfall that now amounts to \$26 billion. First 5 California is committed to join other like-minded partners in an attempt to be part of the state's budget solution for children 0 to 5 as the Legislature and the Administration try to reach agreement on the revisions to the current 18-month state budget.

In December 2008, the State Commission approved funds up to \$16.75 million to prevent 65,000 children 0 to 5 from being placed on a Healthy Families Program (HFP) waiting list. The terms of the contract with the Managed Risk Medical Insurance Board (MRMIB) specify that the health care premiums are for children ages 0 to 5 who are new enrollees to the HFP, and enrolled in the HFP from December 18, 2008 through June 30, 2009. To date, 48 counties have received local commission approval to support this effort for a total commitment of \$15,615,544. As of July 9, 2009, First 5 California has invoiced counties for \$4,325,060 and has received \$1,566,196. From July 1, 2009, through September 30, 2009, MRMIB will finalize enrollment data, coordinate an independent audit of the enrollment data, and reconcile the expenditures within the \$16.75 million authority. MRMIB projects that on June 30, 2009, the total number of new enrollees ages 0 through 5 will be approximately 67,000, which will be funded through the \$16.75 million.

MRMIB faces proposed state budget cuts to the Healthy Families Program in the amount of \$90 million, which would ultimately result in an estimated 570,000 children losing their only source of affordable health care coverage. MRMIB will consider freezing enrollment of children into the HFP beginning July 17, 2009. MRMIB projects the costs to maintain services to these same children in fiscal year 2009-10 will be approximately \$34.2 million.

Small Population County Funding Assessment Project

In November 2007, the State Commission approved funding for the small population counties, not to exceed \$3.5 million annually through Fiscal Year 2010-11. The Commission also authorized First 5 staff to secure outside expertise to update the funding model and to support further determinations of eligibility and the appropriate level of funding for small population counties.

The Commission had planned to contract with the Board of Equalization (BOE) to assist in developing a financial model. However, First 5 staff just learned that the BOE recently reassessed its workload and will not be able to proceed with an agreement related to the Small Population County Funding Augmentation project any earlier than January 2010, if at all, due to the change in the state's budget situation and additional workload it has to absorb. Therefore, staff will begin the process of seeking another contractor.

Governor-Mandated Furloughs

Since February, First 5 California employees have been implementing the Governor's furlough program of 2 days per month. Now, we are subject to the Governor's Executive Order that requires state staff to take three unpaid days off each month.

Beginning next month, the Department of Personnel Administration has instructed state offices to close on the first three Fridays of each month through June 2010.

First 5 is currently in the process of reviewing and modifying its workload to try and make the three days a month closures as seamless as possible on our business and for our stakeholders.

DISCUSSION: Commissioner Dartis, on behalf of the Commission, gave a heartfelt thank you to First 5 staff for their work during this difficult time.

PUBLIC COMMENT: None.

Agenda Item 3 – First 5 Association of California Report

Sherry Novick, Executive Director of the First 5 Association, provided an update on Association activities and how county commissions are responding to the state and county budget crisis and the impact of the economy on children and families they serve.

- Many commissions have increased their funding for emergency services, family resource centers, and the 2-1-1 system.
- Some have set aside funds to meet needs that will result directly from state budget decisions.
- Many are assessing what current initiatives can continue and what will need to change, which coincides with the 5-year strategic planning process underway in a number of counties.
- 30 commissions have Children's Health Initiatives, most of which offer Healthy Kids insurance. They are challenged by the impending loss of partners that fund 6 to 18 year olds, exacerbated by the likely reduction in access to Healthy Families Program and MediCal.
- Ms. Novick pointed out that the Children and Families Act was written to ensure a local focus for county commissions. Thus, they are primarily focused on meeting local needs, while heeding the Act's supplantation prohibition.
- Commissions are engaged in efforts to obtain new federal funds and are still seeking new partnerships with organizations interested in investing in California, such as Save the Children and Educare.

DISCUSSION: Commissioner Munger asked if county commissions are prepared to use their reserves for Healthy Families. Ms. Novick said most commissions have committed future use of their fund balance and would have to make the local decision to change their plans in order to free up significant funds. She indicated that children's health is very important to county commissions and noted both the concerns of county commissions and the issues of competing demand and supplantation.

Commissioner Minon noted that some commissions are funding clinics where insurance can be used as insurance does not help if there is no provider. Commissioner Dartis noted that it was critical that local commissions look at the safety net and try to preserve the integrity of it. She asked if county commissions are ready to move quickly to minimize and help reduce the amount of incredible hardships of those who will fall through the cracks when the budget is adopted.

Ms. Novick said that is everyone's hope, depending on the nature of the local needs that emerge.

PUBLIC COMMENT: None.

Agenda Item 4 – Committee Reports

4a – Program Committee

Sarah Neville-Morgan, Deputy Director of Program Management, reported that the Program Committee met to develop the concept of a streamlined process to meet the goals of Project Legacy. Program Committee members were presented with four different options for moving forward with Project Legacy. They asked staff to ultimately pursue a streamlined process that uses a science-based approach, staff expertise, a small expert group, and regional stakeholder input meetings.

PUBLIC COMMENT: None.

4b – Public Education and Outreach Committee

Elisa Bupara, Director of Communications, reported that staff met with the Public Education and Outreach Committee to discuss the roll-out of the new public education campaign.

4b – Legislative Committee

Marsha Jones, Chief of Legislative and Governmental Affairs, reported that the Legislative Committee took a support position on SB 19 (Simitian), which would enact statutory changes necessary to maximize the use of the federal stimulus funding related to state-level education data systems once federal guidance and application timeframes for funding is released to the state.

PUBLIC COMMENT: None.

Agenda Item 5 – Legislative Update

Marsha Jones, Chief of Legislative and Governmental Affairs, provided a brief update on the effects of pending legislation due to current budget shortfalls. Ms. Jones explained that policy issues cannot move forward unless there are sufficient funds to implement those issues. Pending legislative bills have either been moved to two-year bills or are on hold in the Appropriations Committee due to the lack of a budget.

DISCUSSION: Commissioner Munger asked if there had been any discussion of the state borrowing First 5 funds to bridge the budget gap. Ms. Jones indicated that First 5 had not been formally approached or held any discussions regarding the issue.

PUBLIC COMMENT: None.

Agenda Item 6 – Overview of Public Education and Outreach Campaign

Elisa Bupara, Director of Communications, introduced Renee White Fraser, CEO of Fraser Communications, who described the research which formed the basis for the Public Education and Outreach Campaign launched in June 2009, and discussed future plans.

To help develop the new First 5 California Fiscal Year 2009-10 campaign, Fraser conducted an environmental scan of current issues as well as qualitative research to obtain a better understanding of parenting needs, knowledge and perceptions of First 5 California.

Formative research involved parent focus groups and revealed significant findings.

- Overall, there were very few ethnic and geographic differences among parents across the state.
- Mothers were more involved in children's lives than dads among respondents.
- Passion for their children's future was powerful and pervasive.
- Strong desire to be the best parent possible despite difficult economic times.
- Complexity of support sought and expectations for parenting were highly correlated to income and geography. Higher income, urban moms were more aspirational as compared to lower income, rural moms who were more resourceful.
- Access to high-speed internet at home, work, and mobile devices was prevalent among nearly every respondent regardless of income and location.
- Support systems and resources vary; likewise, how people use resources varied.
- Parents feel good about their parenting but still want more information, particularly mothers.
- Parents rejected guilt-inducing or negative imaging or messaging and overwhelmingly preferred inspirational, entertaining and encouraging messaging.
- Most moms were open to a government agency serving as an aggregator of parenting information and resources. They thought First 5 California lent credibility and was an appropriate agency to help people gain access to government and social services.

Based on the overall findings, Fraser Communications developed a 3-year media plan that includes:

- A web-based parent resource center to promote education and outreach among parents and caregivers using a micro site on the First 5 California Web site that focuses on health, education, services and support.
- Target and reach California's populations with the greatest need (including the hard-to-reach groups and communities).
- Generate parent and caregiver awareness and education about the resources that are available to aid the healthy and nurtured development of children 0 to 5.
- A campaign to attract parents to the site that is upbeat, friendly, and understanding.
- Graphics that stand out with representation of various ethnicities, income levels, and children with special needs.
- Outreach to parents, asking them to make a pledge that can be utilized in ads and video testimony.
- Photo assets available to county commissions.
- Links to county resources through coordination with county commissions, including a focus on local family resource centers.
- Use of the Resource Express (formerly the Hands-on-Health Van).
- Various public events in coordination with partners, including Radio Disney.

- Radio ads in all 24 markets in the state, with a special focus on Latino and Asian language radio.
- Pre- and post-campaign research to measure the impact of the campaign.

Ms. Fraser indicated that there have been 42,000 hits to the Web site since the launch, which is 4.5 times higher than in the past, and people are staying on the site for an average of approximately 3 minutes.

DISCUSSION: Commissioner Dartis asked how the campaign is being adapted to reach the very hard to serve communities, including indigenous populations without a written language. Ms. Fraser said they are working with local radio stations, such as Radio Bilingüe, to help with translations and outreach to those audiences.

Commissioner Tsakopoulos-Kounalakis asked about the annual cost of the contract. Ms. Perry explained the contract is for up to \$35 million over 3 years, but the elements of the campaign cross over fiscal years making the annual cost difficult to specify. Thus far, the research, development, and media buy has cost approximately \$4 million. Commissioner Tsakopoulos-Kounalakis questioned whether people were using the links on the Web site. Ms. Fraser said that the most popular link thus far is the county link, with the school readiness link second.

Commissioner Minon asked what metrics will be used to measure the impact and success of the campaign. Ms. Fraser said they will measure awareness of the campaign, shifts in beliefs and attitudes, how confident parents feel that they have the resources, and the number of Web hits and the length of time people stay on the site compared to normative data.

PUBLIC COMMENT: Leona Butler, CEO of Santa Clara Family Health Plans, asked what can be done to reach low-income populations who do not have access to the Internet. Ms. Fraser stated that messaging of this important information is being disbursed in a variety of ways, such as outdoor and mall posters, at local parks, and utilizing the Resource Express as a means of handing materials out within local communities.

Hugo Morales, First 5 Commissioner in Fresno and representative of Radio Bilingüe, stated that he was impressed with the research and asked if that information can be shared with local commissions. He also described his work with First 5 Monterey and First 5 Santa Barbara, where they are successfully reaching out to indigenous non-Spanish-speaking Mexican populations, and urged First 5 California to involve those working with these populations in the design and editorial content of the advertising targeted to them.

Pat Wheatley, Executive Director of First 5 Santa Barbara, complimented the campaign on reaching the needs of families. She noted that linking parents, especially those without easy access to Web site resources, to Family Resource Centers is critical and effective in reaching certain populations, such as indigenous migrant populations. She also pointed out that local 2-1-1 systems are extremely

effective as they tie to communities, but are hurting economically and suggested more partnership to strengthen that system.

Francine Rodd, Executive Director of First 5 Monterey, reminded the media team of the importance of play in social-emotional development and urged them to include that in the messaging.

Agenda Item 7 – Strategic Plan Mid-Year Review

Kris Perry, Executive Director, provided a mid-year review of First 5 California's Strategic Plan.

Ms. Perry reminded everyone of the overarching statements contained in the Strategic Plan. She reviewed the First 5 California's vision, mission and highlighted objectives reached under each strategic goal.

Vision:

All children in California enter school ready to achieve their greatest potential.

Mission:

By 2012, be recognized as California's unequivocal voice for children 0 to 5 to ensure greater equity in their readiness for school.

Five Strategic Goal Areas:

1. Focus on Policy Development
2. Invest in Program Development
3. Broaden Public Awareness
4. Enhance Research and Evaluation, and
5. Strengthen Organizational Operations and Systems

Ms. Perry provided a summary on the status of objectives that were due or completed since January 2009.

Completed Objectives

Objective 2.3.1 – Annually obtain Commission approval for the three-year allocation of funds and maintenance of an investment reserve

The intent of this objective is to build a process for obtaining funding authorizations that provides the State Commission the opportunity to confirm and modify program funding commitments based on program effectiveness and outcome data.

First 5 California has developed the internal process to secure approval of future three-year program funding objectives.

Objective 2.3.2 – Establish an annual budget allocation item on the Commission agenda

Annually, in the fall, First 5 staff provides the commissioners the Fiscal Year-End Summary Report, which includes the following information:

- Actual Fund Condition for Prior Year
- Current Year Proposed Revenues and Expenditures

- Budget Year, Budget Year Plus 1 and Budget Year Plus 2 Proposed Revenues and Expenditures

These reports include the current commission-approved program allocations and expenditures for education and health programs serving children 0 to 5.

Annually, in January, First 5 staff provides the commissioners a Mid-Fiscal Year Update that provides information on any changes to the October report. As new programs are developed and proposed to the State Commission for funding, the Program, Research, and Administrative Services division reports will be aligned to support the Commission's approval of annual program allocations.

Objective 3.2.3 – Enlist the support of at least two additional partners to increase education about the health benefits of smoking cessation

First 5 California partnered with Farmers Insurance, Pep Boys and Black Infant Health to broaden awareness about the health benefits of smoking cessation.

First 5 launched a multicultural smoking cessation awareness campaign focusing on the dangers of secondhand smoke around young children and the importance of quitting the habit. In particular, Spanish-language media has been receptive to smoke-free messages, with news coverage expected to reach over two million Spanish speakers.

Objective 4.3.3 – Issue a report annually that includes trends, program outcomes and policy recommendations

A comprehensive report was recently completed that identifies industry trends and program outcomes to help inform First 5 California program decisions. This report will serve as the foundation of our discussions as we move forward with Project Legacy.

Objective 5.1.3 – Establish a formal performance management system

Implementation of First 5's new Performance Appraisal System will begin with Fiscal Year 2009-2010. The System has four key components:

1. Allows employees and supervisors to jointly identify areas of strength and those needing development.
2. Fosters continual development of staff skills and expertise.
3. Allows supervisors to prioritize training and development needs.
4. Provides an opportunity for employees to give feedback to management.

Objective 5.2.1 – Develop an integrated database to provide accurate reporting of revenues and expenditures

Ms. Perry reported at the January Commission meeting that this objective had been completed. First 5 staff Richard Flores developed a Web-based application that quantifies expenditures, links them to the strategic plan, tracks deliverables and actions related to contracts, and permits total transparency and accountability.

Objective 5.3.2 – Establish standardized language, along with scope of work and budget templates for all First 5 California agreements

First 5 has standardized contract-related correspondence and contract processes for specific types of agreements. Additionally, standardized checklists have been developed

to ensure contracts are processed in compliance with the First 5 California Procurement Policy and Procedure Manual as well as the State Contracting Manual.

Although this objective was met as originally envisioned, the scope of the project expanded as First 5 learned more about its needs. First 5 is currently working on more in-depth templates to provide greater support for contract processes. It is anticipated that the final templates will be complete in September.

Objectives in Progress

Objective 1.2.1 – The First 5 California management team will develop and implement a public advocacy plan to address the needs of children 0 to 5 and sustaining related programs

While First 5 has not completed a formal public policy plan, we are participating in several public advocacy projects:

1. First 5 California and the Advancement Project co-hosted the first annual Water Cooler Conference in March 2009, which was attended by over 500 stakeholders of local, national and statewide groups. It featured interactive panel discussions about the development of high-quality learning environments for children 0 to 5.
2. First 5 California and Preschool California co-led the first Federal Issues and Opportunities ad-hoc meeting. The group's objective was to increase California's preparedness for the infusion of American Recovery and Reinvestment Act funds. Workgroups were created and meetings were expanded to include leaders and Water Cooler co-chairs. Discussions were held on the development of a state plan. First 5 California shared highlights from the Early Head Start technical assistance workshops. The group will integrate their work into the regular Water Cooler meetings.
3. First 5 California is focused on improving quality by participating on the committee charged with implementing the Quality Rating Improvement System, a legislative mandate designed to improve early childhood education in California. Ms. Perry is a member of the committee, along with 12 other members from state government and the education field as stipulated in SB 1629. To date, the committee has established strategic goals and defined the scope of work for the next 18 months. A preliminary report is due to the Legislature at the end of this year and 2010 respectively.

Objectives 2.1.1 and 2.1.2 – Convene a First 5 California legacy program assessment workgroup to develop criteria for assessing the ongoing viability of and developing criteria for programs implemented prior to January 1, 2008

In September 2008, First 5 received commission approval to proceed with identifying program goals for two-to-three signature programs and pilot projects. First 5 selected workgroup invitees and prepared to convene the group in May. However, implementation of Project Legacy was put on hold due to the statewide economic crisis and the May special election.

Objective 3.1.2 – Develop and implement a comprehensive, grassroots public education campaign

First 5 California partnered with PBS trainers to develop training for parents and caregivers on the use of Sid the Science Kid Program and Web site learning tools to benefit California's youngest children.

Objective 4.1.1 – Secure an information technology vendor to build a comprehensive data system to integrate First 5 data

An RFP to secure a vendor to build PROOF, which stands for the Practice, Research and Outcomes 0 to Five system, was released in December 2008. Draft proposals were received in March and bidders were given the opportunity to discuss weaknesses to improve the quality of the final proposals which are due July 27, 2009. The review and award process should be completed by the October 2009 commission meeting.

Recurring Objectives

Objectives 1.1.1 and 1.1.2 – First 5 California will obtain at least 25 memberships and annually participate in state and national organizations that emphasize early childhood development and seek advisory representation on three nationally affiliated groups or projects

Sarah Neville-Morgan, Deputy Director of the Program Management Team, led a California delegation of 10 members to the National Association for the Education of Young Children 2009 National Summit of States.

Objective 1.3.1 – Develop partnerships and, where feasible, legislative recommendations to sustain successful programs, such as early childhood screenings, access to services, and oral health care

First 5 continues to facilitate the Statewide Screening Collaborative. Participation has increased to include additional partners such as the American Academy of Pediatrics and the California Association of Health Plans. Current activities include providing input into the California "Staying Healthy Assessment" that is used by Medi-Cal providers and launching the California Screening Initiative in fall 2009.

Objective 1.4.1 – Establish or participate as a partner in a committee addressing systems change around California's higher education system related to developing the early childhood development workforce

First 5 met with the California Department of Education, WestEd and the panel of Expert Advisors for the Early Childhood Education Competencies Project to develop guidelines that describe the knowledge and skills teachers need in order to support the development and learning of young children.

Objective 1.4.2 – Participate as a partner in a statewide effort to increase quality, access and/or availability of early care and education, such as preschool, infant/toddler care, or school readiness programs

First 5 California, in collaboration with WestEd, Preschool California, and the California Head Start Association, created the Early Head Start Expansion Training Opportunities. Ms. Perry noted that 26 states were interested and participated with nearly 700 participants and 5 regional workshops that reached 190 participants.

First 5 California was a major sponsor of the Annual California Association of Education of Young Children and other conferences held in California.

Objective 3.2.1 – Identify hard to reach populations and appropriate partnerships for sharing information on the healthy development of children 0 to 5

First 5 selected a contractor to identify hard-to-reach populations across the state and best practices for communication with those populations. First 5 will use this study to develop a comprehensive, grassroots public education campaign to ensure First 5 messages are conveyed to all Californians.

Objective 3.2.4 – Enlist the support of at least two partners to increase parent education

In June 2009, First 5 California co-sponsored the "California Childhood Obesity Prevention Conference" in Los Angeles. The conference focused on issues, strategies, and programs related to the prevention of childhood obesity.

Objective 3.3.1 – Present First 5 California projects at two or more national events annually

Ms. Neville-Morgan, Alice Burton of Working for Quality Child Care, Yolanda Garcia of WestEd's E-3 Institute, and Toni Campbell, Chair of First 5 Santa Cruz, presented the Comprehensive Approaches to Raising Educational Standards (CARES) Program Research at the NAEYC 2009 Professional Development Institute in Charlotte, North Carolina. The goal of the session was to familiarize participants with CARES and share lessons learned to inform compensation and professional development policy and program efforts at state and local levels.

DISCUSSION: Commissioner Munger praised Ms. Perry for her work in all areas, saying words do not do justice to the value of her work.

Commissioner Tsakopoulos-Kounalakis asked that future reviews of the Strategic Plan include financials in order to know where the Commission is in relation to its projections and to assist in considering emerging needs the commission may want to address. Other commissioners agreed it would be useful to have more regular updates on the commission's fiscal state. Commissioner Dartis noted that the Strategic Plan did not link financial allocations to each goal.

Commissioner Munger added that the statute mandates expenditures in certain areas, which adds another element to monitor. Ms. Perry said now that First 5 has its new automated system, it would be easier to generate a fiscal report.

PUBLIC COMMENT: None.

Agenda Item 8 – Project Legacy

Kris Perry, Executive Director, requested commission approval of a streamlined Project Legacy process that expedites the development of First 5 California's "Roadmap to the Future" by establishing measurable program goals that will enhance decision making and accountability, while improving outcomes for children 0 to 5.

The original process was put on hold in light of the special election. The process will be based on a needs assessment and a science-based 3-tiered funding model and will meet or exceed the timeline previously established.

Ms. Perry introduced Ron Lally, Co-Director of WestEd's Center for Child and Family Studies, who presented findings from his recently completed report on the status of California's children, their needs, and gaps in services, which will serve as the needs assessment for the Project Legacy process.

- California is home to the largest population of low-income children ages 0 to 5.
- Almost half the children under 5 have at least one foreign-born parent.
- 14% of California's young children have a parent in the home who does not speak English well.
- 45% of young children are read to every day.
- Risk factors that have a significant negative effect on child outcomes are poverty, parent's level of education, teen parenting, health and quality child care.
- The younger a person is, the more likely he or she is to be in poverty. More than 616,000 children 0 to 5 are in poverty. 68% are Latino and 50% are age 0 to 2.
- In California, 24% of mothers have less than a high school education, compared with 15% nationally.
- Nearly 30% of native born Hispanic fathers and 60% of foreign-born Hispanic fathers have less than 12 years of education.
- More than 16% of births in the Central Valley are to teen mothers.
- California does not have its share of Early Head Start programs as compared to the rest of the country resulting in 217,305 children waiting for services.
- Over 50% of California kindergarteners experience tooth decay.

The study pointed out particular areas of concern related to young children's access to child care and early education, access to health insurance and dental care, and exposure to tobacco smoke. Dr. Lally recommended the Commission call upon the work of Dr. Vincent Felitti whose multi-year study demonstrates the relationship between multiple risk factors and life outcomes during the first 5 years of life.

Dr. Lally emphasized that the economic recession will decrease access to health and dental care, increase obesity and have an impact on income by reducing the median family income by \$4,000.

Ms. Perry thanked Dr. Lally for his presentation. She said that First 5 California seeks to develop programs that have the greatest potential to positively impact children and families and noted the importance of using a model that effectively and efficiently impacts the healthy development of children.

Ms. Perry introduced Katherine Magnuson, Ph.D., who is part of a research team at Harvard University's Center of the Developing Child that developed a 3-tiered model designed to improve school readiness and ensure healthy development for all children. The model, which First 5 California would like to use to frame the creation of measurable program goals, is based on the latest research findings on the developing brain, clearly supporting quality programs and early interventions for young children.

Dr. Magnuson presented a framework for funding based on principles of child development:

- Brains develop over time, with later more complex skills dependent on earlier skill development, with the first year critical in growth of core neurological networks.

- Genes interact with the environment and stimulation the developing brain receives.
- Active engagement with caregivers is critical from the beginning of life.
- As early as six weeks, the networks that are associated with language and literacy start to develop.
- Cognitive skills are fundamentally related to social/emotional skills, thus the emotional life of a young child can be determinative of future achievement.
- Prolonged stress without protective relationships results in underdeveloped neural connections in the portion of the brain responsible for later executive functioning.
- Accumulated risk and some stress experiences put kids at risk for real problems with their development.
- Effective services improve relationships and environments.
- Positive relationships and emotional, social, cognitive, and language learning experiences can be promoted both at home and through a range of evidence-based parent education, family support, early care and education, and intervention services.

Dr. Magnuson reported that scientific understanding of child development had lead to a 3-tiered approach to program funding:

- Tier 1 – Access to basic health services and quality early care and education for all children.
- Tier 2 – Broadly targeted interventions such as income supports and early enrichment for children in poverty. (Research suggests that providing families with an increased income improves early school achievement for young children.)
- Tier 3 – Targeted services for children experiencing high levels of stress with inadequate protective relationships. Among sources of stress for young children: postpartum depression (13% of children), parental substance abuse (10%), and maltreatment (8%).

Throughout the model, preventive intervention early is more cost-efficient than later remediation.

Ms. Perry recommended the Commission modify its original process by convening an expert group consisting of researchers and philanthropists focused on improving the health, development, and family environment of our youngest children. The group will be tasked with recommending measurable program goals for each tier of the 3-tiered model. Recommendations will be shared with county commission representatives, program administrators/operators, advocates, and other interested parties at three forums throughout California. First 5 California will then finalize the goals and present them to the Commission for adoption in October.

The streamlined Project Legacy process will allow First 5 California to quickly make funding decisions so that we can leverage federal dollars and provide needed support to children 0 to 5 in California during this unprecedented budget crisis.

MOTION STATEMENT

Commissioner Dartis moved that the Commission approve the streamlined Project Legacy description and expedite the development of the program goals, which will

guide First 5 California's policy and fiscal program decisions. The motion was seconded by Commissioner Munger.

DISCUSSION: Vice Chair Kears pointed out that the state budget will do exactly the opposite of what experts advise. He said First 5 California has to recognize the impact of the budget cuts and implement programs in that context.

Commissioner Minon questioned if it might be better to wait on expediting the process.

Commissioner Munger said members of the expert panel will take the current situation into account, plus the input sessions will provide another screen.

Commissioner Dartis said the 3-tiered model provides a critical lens for all parts of the process and will prevent knee-jerk funding decisions.

Ms. Perry pointed out that the proposal is intended to implement program goals, not programs. It is intended to help guide First 5 toward a legacy that does not ignore the fundamental basis of a system that address children's health and basic needs.

Vice Chair Kears argued it would be important to include families affected by the current situation and by potential programs. He noted that the integrity of the product would be enhanced by the participation of the population for whom it is targeted. Commissioner Dartis applauded Vice Chair Kears and explained it as being more of applied research rather than academic research.

Commissioner Munger supported Commissioners Kears and Dartis. She noted the limitations on Commission staff resources and asked Commissioner Kears and Dartis to assist in finding families to participate.

Vice Chair Kears suggested reaching out to county commissions in an effort to obtain representatives with regional and ethnic diversity.

Ms. Perry requested additional time to identify and involve more people. Vice Chair Kears said it would be fine to extend the timeline to January if needed.

REVISED MOTION STATEMENT

Commissioner Dartis moved that the Commission approve the revised streamlined Project Legacy description that will now include three-to-four consumers as part of the expert panel in order to expedite the development of the program goals, which will guide First 5 California's policy and fiscal program decisions, and to extend the timeline to January 2010, if necessary. The motion was seconded by Commissioner Minon.

PUBLIC COMMENT: None.

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

Agenda Item 9 – Children’s Health Insurance

Kris Perry, Executive Director, requested the Commission adopt the following resolution, which confirms First 5 California’s commitment to partner to ensure young children have access to affordable health care coverage.

RESOLUTION TO PARTNER FOR ACCESS TO CHILDREN’S HEALTH CARE

WHEREAS, the California Children and Families Act tasks the First 5 California Children and Families Commission (hereinafter First 5 California or Commission) and the 58 county commissions with promoting, supporting, and improving the early development of children from the prenatal stage to five years of age through the creation and implementation of an integrated, comprehensive and collaborative system of information and services to enhance optimal early childhood development and to ensure that children are ready to enter school; and

WHEREAS, it has been determined by First 5 California that health care coverage is an essential means by which to promote, support, and improve the early development of children from the prenatal stage through five years of age and beyond; and

WHEREAS, for the past six years First 5 California has provided leadership in helping uninsured young children obtain affordable health insurance by providing a match for the dollars invested by local First 5 Commissions in their county Children’s Health Initiatives (CHIs); and

WHEREAS, on December 15, 2008, First 5 California, in partnership with many county commissions, approved up to \$16.75 million to pay the health care premiums of children ages 0 through 5 who were new enrollees to the Health Families Program (HFP) administered by the Managed Risk Medical Insurance Board (MRMIB) from December 18, 2008, through June 30, 2009, thereby expanding the HFP and avoiding the implementation of a waiting list for new enrollees ages 0 through 5; and

WHEREAS, the State of California is experiencing an unprecedented fiscal crisis and the Governor has declared a fiscal emergency and, due to this budget crisis, all program funding, including funding for health care services for children ages 0 through 5, is subject to possible reduction and/or elimination; and

WHEREAS, the Commission is committed to providing access to health care for all children ages 0 through 5 as well as improving and extending the health care workforce; and

WHEREAS, in the unprecedented state budget crisis, First 5 California believes in a shared responsibility approach to ensure all young children have access to affordable health care; therefore, now be it

RESOLVED, that the First 5 California Children and Families Commission, by this resolution, commits to join with like-minded public and private partners, including but not limited to health plans and philanthropic organizations, to provide financial assistance in Fiscal Year 2009-2010 to the extent practicable and feasible within the constraints of the California Children and Families Act to ensure young children have

access to affordable health insurance coverage. Be it further resolved that this commitment is contingent upon availability of funds in the applicable First 5 California accounts.

MOTION STATEMENT

Commissioner Munger moved that the Commission adopt the proposed resolution that confirms First 5 California's commitment to partner to ensure young children have access to affordable health care coverage in this unprecedented state budget crisis. The motion was seconded by Commissioner Minon.

DISCUSSION: Commissioner Munger asked what the applicable accounts were and how much money was available in those accounts. Ms. Perry said there are six accounts, none is specifically for health, but the accounts related to School Readiness could be used for health since that is an essential component. The unallocated account may also be a source. Ms. Perry said that there were significant resources in them to make an investment in Healthy Families again based on the numbers that were provided by the Managed Risk Medical Insurance Board. However, those are one time funds as they are reserve funds.

Vice Chair Kears said the resolution was written as it was because the process of negotiating a contribution is not easily defined and this is intended to provide as much flexibility as possible.

Ms. Perry stated that it was unclear what the full need will be for continued Commission support of Healthy Families because no final budget decisions had been made. She said that once a proposal has been finalized, the Commission would likely meet as it did last December to approve the proposal.

PUBLIC COMMENT: There were 10 individuals representing children's and health advocacy organizations who thanked First 5 California for its leadership and commitment to ensure young children have access to health care coverage. They urged commissioners to take more specific action, including to immediately contribute as close to the \$90 million projected Healthy Families shortfall as possible.

Commissioner Munger said she understands the desire for more specificity, but the Commission has total confidence in Ms. Perry to negotiate as appropriate.

Commissioner Dartis asked about the timeline and numbers involved, noting the need is likely to extend 2 or 3 years. Ms. Perry asked the commission not to make a financial decision when the state budget has not been resolved. She explained the costs of continuing coverage for all children First 5 covered in 2008-2009 and those projected to newly enroll in 2009-2010. Ms. Perry did note that there were questions about why First 5 is being asked to cover \$81 million out of a \$90 million projected deficit, the concerns with supplantation, and if children 0 to 5 make up 90% of that projected budget deficit. Ms. Perry said they are making good progress in getting that information.

Ms. Perry noted that First 5 California has repeatedly expressed its intention to partner with other stakeholders and to assist in any way possible during these difficult fiscal times and remains committed to providing access to health care for all children 0 to 5. She said it was her intention to send the strongest message that conveys First 5's commitment to partner with health plans and other public and private partners to address their gap, but that First 5 could not do it alone and could not be the only supporter.

Lesley Cummings, Executive Director of MRMIB, explained that a wait list will be imposed on July 17, 2009, because MRMIB legally cannot operate with a deficit. Ms. Cummings noted that if funding becomes available, she has authority to admit enrollees from the wait list. She said MRMIB believes new 0 to 5 enrollees in 2009-2010 are no different from those in 2008-2009, which are also new to enrollment and thus no different under the non-supplantation law. Ms. Cummings indicated that the high rates for the 0 to 5 population are due to inclusion of a separate rate for 0 to 1, which is very high. Overall, the 0 to 5 population are about 40% of the Healthy Families Program. She also noted that the AIM program for pregnant mothers is scheduled to close in January 2010.

Vice Chair Kears noted that although the Commission has not resolved how much it has to spend and how much it can legally contribute, history shows that when asked, the Commission steps up and they are likely to help to the degree they did last year.

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

Agenda Item 10 – Kit for New Parents

Elisa Bupara, Director of Communications, requested approval to extend the ALOM Technologies contract and authorize additional funding in order to continue production and distribution of the *Kit for New Parents*.

Ms. Bupara explained that this will not only allow uninterrupted production and delivery of the *Kits*, but also time to conduct a study of the *Kit* to develop a potentially lower-cost version for the future.

MOTION STATEMENT

Commissioner Dartis moved that the Commission approve extension of the ALOM Technologies contract to October 31, 2011, and authorize additional funding of up to \$16 million for the continued production and distribution of the *Kit for New Parents* through October 2011. The motion was seconded by Commissioner Munger.

PUBLIC COMMENT: None.

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

Agenda Item 11 – Commission Bylaw Revisions

Terry Miller, Deputy Director of Administrative Services, requested commission approval to make two revisions to the Commission Bylaws.

MOTION STATEMENT

Commissioner Munger moved to amend the July 19, 2007, Commission Bylaws, specifically Article XI, Procedures for Conduct of Business, to expand the delegated authority of the Executive Director as follows:

1. For all contracts of \$10,000 or less, the Commission authorizes the Executive Director to delegate authority to his or her designee to enter into or amend contracts for the sole purpose of the procurement of goods, equipment, and administrative service agreements necessary to carry-out administrative operations of First 5 California. This authorization does not extend to contracts for consulting services.
2. The Commission delegates to the Executive Director the authority to establish administrative policy to ensure compliance with federal and state laws, regulations, and policies governing government operations.

The motion was seconded by Commissioner Dartis.

PUBLIC COMMENT: None.

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

Agenda Item 12 – Consent Calendar

The Commission considered approval of the consent agenda items:

- April 29, 2009, Commission Meeting Minutes
- Ratification of the following agreements: CCFC 7025 A1, 7082 A2, 7135, 7137 A1, 7147, 7148, 7150, 7151, 7153, 7155, 7158, 7159, 7160, 7162, 7164, 7166, 7168, 7170, 7171, 7172, 7173, 7174, 7175, 7177, 7178, 7182, 7186, 7192, 7193, 7194, CFF 4623, 4624

MOTION/ACTION: Commissioner Munger moved that the Commission approve the consent calendar. The motion was seconded by Commissioner Minon.

PUBLIC COMMENT: None.

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

Agenda Item 13 – Adjournment

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

The next scheduled Commission Meeting is October 21, 2009, in Los Angeles.