



# **ANNUAL REPORT**

## **FISCAL YEAR 2003-04**

### **Executive Summary**

California Children  
& Families Commission





## INTRODUCTION

The 2003-04 Annual Report is a comprehensive overview of First 5 California's progress toward achieving its vision:

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

## Background

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

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

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

## First 5 Goals and Results to Be Achieved

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

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

1. **Early Childhood Learning and Education.** Increase the quality of and access to early learning and education for young children ages 0-5.
2. **Early Childhood Health.** Increase the availability of and access to early and periodic assessments of children's health and development. Promote the

During fiscal year 2003-04, approximately \$590 million was collected from the Proposition 10 tobacco tax and allocated as follows:

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

early identification of health and developmental issues and provide appropriate preventive and intervention services.

3. **Parent and Community Education.** Provide information and tools to parents, families, and communities on the importance of early learning experiences for children 0-5 and their families.
4. **Tobacco Cessation.** Contribute to the decrease in the use of tobacco products by pregnant women, parents, and caregivers of young children.

### **Statewide Data Collection and Evaluation**

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

As required by the Act, County Commissions submit an annual report to the State Commission that provides detailed information on their investments, funded programs, activities, and participants. The 2003-04 Annual Report aggregates, analyzes, and presents the data and information collected from the counties in order to tell the First 5 story.

### **STATEWIDE FIRST 5 CALIFORNIA PROJECTS AND INITIATIVES**

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

- **Early childhood learning and education initiatives.** First 5 California implemented several new projects and continued to support established projects that target early childhood learning and education. These include the School Readiness Initiative; Special Needs Project; Children of Migrant Farm Workers Project; Family, Friend, and Neighbor Child Caregiver Support Project; Early Steps to Reading Success; Matching Funds for Retention Incentives for Early Care and Education Providers; Accreditation of Child Care Centers and Family Child Care Homes; Child Development Permit Project; Preschool for All Initiative; and Affordable Buildings for Children's Development (ABCD) project.
- **Early childhood health initiatives and projects.** First 5 California has addressed the goal of early health through five efforts: the Child Care Health Linkages Project, Infant-Preschool and Family Mental Health Initiative, Childhood Asthma Initiative, Early Childhood Oral Health Initiative, and Health Access for All Children.
- **Parent and community education initiatives and projects.** First 5 California has supported parent and community education through the Kit for New Parents, Safe from the Start, and public education campaigns.
- **Tobacco cessation initiatives and projects.** First 5 California has promoted tobacco cessation through the California Smokers' Helpline, Smoking Cessation: Make Yours a Fresh Start Family, and a public education campaign.

- The 2003-04 Annual Report provides detailed information on the investments, funded programs, activities, participants, and progress toward the desired results of First 5 California.

The First 5 State Commission is supporting many statewide initiatives and projects that address its four strategic goals to support:

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

## COUNTY COMMISSION ACTIVITIES AND PARTICIPANTS

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

### *Who Is Receiving Services from First 5?*

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

- First 5 programs and services have reached many of California’s young children and their families (close to 19 million people).<sup>1</sup>
  - About 3.4 million of these people received direct services.
  - More than 15 million were reached through community outreach activities.
- First 5 programs have been successful at reaching out to culturally and linguistically diverse populations and to families with children with disabilities and other special needs.
  - First 5 funded programs have served children and families who represent the diversity of the state’s population: 56% Latino, 28% white, 6% African-American, 4% Asian/Pacific Islander, and 6% other racial or ethnic groups. The vast majority of children receiving intensive services from First 5 programs were Latino (77%).
  - About half (49%) of the children served by First 5 programs spoke a primary language other than English; 45% of the children spoke Spanish, and 4% spoke another language. Two-thirds of the children receiving intensive services from First 5 programs spoke a language other than English (67%).
  - Approximately 4% of all children served by these programs were identified as having a disability or another special need. Children receiving intensive services from First 5 programs were much more likely to have a disability or other special need (15%).
- The baseline data on participants indicate that First 5 programs are providing services to children and families who are most at risk to have health and developmental problems and, therefore, are the most likely to benefit from First 5 services.
  - Almost three-quarters of families receiving intensive services from First 5 programs were living under the federal poverty level, and almost all of them (93%) were living under 185% of the federal poverty level.
  - Children enrolling in First 5 programs that provide intensive services were more likely to have been low birth weight, not have been breastfed, not have had a regular medical home, not have had health insurance, and not have received preventive dental care, compared with California children overall. Also, the majority of children ages 3-5 had not participated in preschool programs.

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<sup>1</sup> These are not unduplicated counts. An individual may have been served by more than one program and, in some cases, more than once by the same program.

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

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

The majority of First 5 programs (70%) and funding (61%) were focused on providing direct services to children and families.

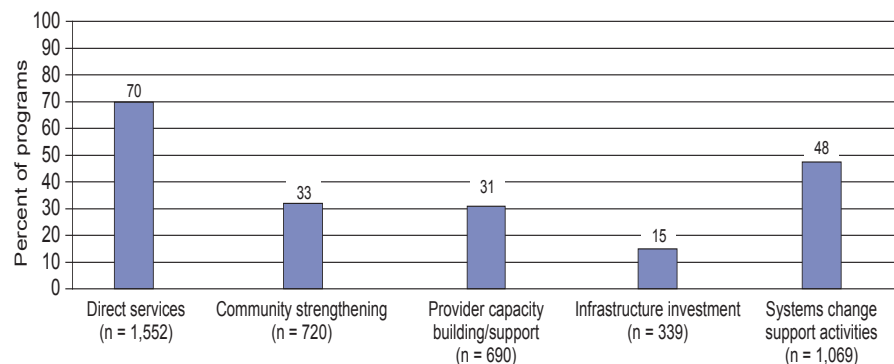
Significant investments also have been made in activities to further develop the skills and resources of service providers and teachers so that they can provide higher-quality child care and education, as well as other services, to children and their families.

### How Is First 5 Serving Children and Families?

To promote family support, early care and education, and child health, and to improve systems of care for young children and their families, First 5 County Commissions have funded and partnered with a range of agencies to conduct 2,433 programs to improve the lives of young children and their families throughout the state. Exhibit 1 shows the percentage and number of programs using each of five strategies and mini-grants. Many programs (53%) were funded to implement more than one strategy.

- **Direct services.** The majority of programs (70%) and funding (61%) were focused on providing direct services to children and families, such as parenting education, early education classes, developmental screenings and assessments to ensure early identification and services for children’s disabilities and other special needs, enrollment in health insurance, and preventive health care services, including dental care.
- **Community strengthening efforts.** A third of programs conducted public outreach activities aimed at large groups of children, parents, and related community members, involving community events, dissemination of written materials, media campaigns, and organizing of community networks to increase awareness of community resources to promote school readiness and children’s health.
- **Provider capacity building/support.** Almost a third of programs conducted trainings and other activities to further develop the skills and resources of service providers and teachers so that they can provide higher-quality early care and education, as well as other services, to children and their families.
- **Infrastructure investments.** Fifteen percent of programs received funds to improve or expand facilities and to purchase equipment and materials for programs such as preschools.
- **Systems change support activities.** Almost half of programs were also funded to coordinate or augment their programs’ efforts through evaluations, civic engagement efforts, and interagency collaboration and planning.
- **Mini-grants.** Small grants, usually less than \$5,000, were disbursed to 893 agencies and groups to support or conduct activities similar to the strategies used by funded programs.

**Exhibit 1**  
**Programs Using the Five Strategies (n = 2,217)**





## Services for Children and Families, by Result Area

First 5 programs delivered direct services to improve outcomes for children and families in all four priority result areas of First 5 California: improved family functioning, improved child development, improved child health, and improved systems of care. The 12 types of services most commonly received by program participants are listed in Exhibit 2.

**Exhibit 2**  
**Services Received Most Often by First 5 Program Participants, by Result Area**

Improved Family Functioning	Improved Child Development	Improved Health	Improved Systems of Care
<ul style="list-style-type: none"> <li>• Community resource and referral</li> <li>• Parenting education</li> <li>• Distribution of Kit for New Parents</li> <li>• Parenting/caregiver support</li> </ul>	<ul style="list-style-type: none"> <li>• Early education programs for children</li> <li>• Developmental screenings and assessments</li> <li>• Family literacy programs</li> </ul>	<ul style="list-style-type: none"> <li>• Health insurance enrollment and assistance</li> <li>• Nutrition education and assessments</li> <li>• Safety education and injury/violence prevention</li> </ul>	<ul style="list-style-type: none"> <li>• Service coordination</li> <li>• Transportation services or vouchers</li> </ul>

### Services to Improve Family Functioning

- **Parenting education.** 771 programs (more than half of all direct service programs) provided education to increase parenting knowledge and skills to 590,563 parents, affecting 337,375 children ages 0-5. Positive parenting practices also were promoted with 8,102,062 parents and children through media campaigns, community events, dissemination of materials, and other outreach efforts run by 347 programs. Finally, 239 additional organizations and groups provided parenting education services with support from mini-grants.
- **Distribution of Kit for New Parents.** 347 programs distributed the First 5 California Kit for New Parents to 584,131 program participants. In addition, 119 other organizations distributed the Kits to new parents with support from mini-grants.
- **Parenting/caregiver support.** 448 programs promoted nurturing and positive home environments by providing informal counseling, respite services, and other forms of support to 295,852 parents of children ages 0-5. Mini-grants funded 174 additional organizations to provide support to parents and other caregivers. Peer parent support networks also were organized and advertised to 1,286,974 parents and related community members by 155 programs.
- **Mental health services.** 319 programs provided counseling and behavioral and mental health assessments to 401,891 children and their family members. An additional 132 programs provided substance abuse treatment, counseling, and referrals to 115,852 people living in families with young children.
- **Enrollment assistance.** 273 programs helped 398,276 people in families with young children to enroll in food assistance programs. 272 programs provided 450,790 family members with meals, groceries, or store certificates for food; clothing; access to emergency funding or household goods; and help in finding temporary or affordable housing.

First 5 funded direct services addressed all four result areas:

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

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

More than half of First 5 programs provided early childhood activities that foster social, emotional, and intellectual growth and prepare children for further formal learning.

First 5 programs screened 297,350 children for developmental delays and other disabilities and provided developmental services to 114,076 children with disabilities.

- **Adult education.** 186 programs provided activities to promote adult literacy skills and learning of English as a second language to 140,229 parents and other family members of young children. 160 programs provided classes to help 80,047 parents find employment or better-paying jobs or to become U.S. citizens. 52 organizations received mini-grants to support adult literacy activities.
- **Family planning services.** 141 programs provided 79,075 young parents (often teenage parents) with services to help them postpone future pregnancies until they are older and more self-sufficient.
- **Community resource and referral (to health and social services).** 770 programs (more than half of programs) provided 1,182,753 people with information about and referrals to health and social service programs in their communities. 473 programs conducted community outreach efforts to 13,617,184 parents and related community members about community resources. 100 organizations also received mini-grants to begin or expand the sharing of community resource and referral information with their participants.
- **Other family support and education services.** 553 programs provided 286,392 children and 393,384 parents with other family support services, such as translation services, legal support and services, and advocacy for families with other agencies.

### *Services to Improve Child Development*

- **Early education programs.** 557 programs provided early childhood activities and programs that foster social, emotional, and intellectual growth and prepare children for further formal learning to 656,297 children and 280,654 parents. Mini-grants were received by 302 additional organizations to provide early educational activities to children.
- **Developmental screenings/assessments.** 442 programs screened 297,350 children for developmental delays and other disabilities and worked with 217,556 of their parents. In addition, 114,076 children and 94,165 parents received services to directly address the needs of children with developmental issues. In addition, 230 programs disseminated information on the importance of early identification of disabilities and other special needs and on resources for assessments and services to 6,210,639 parents and related community members. 106 organizations received mini-grants to conduct similar efforts.
- **Family literacy programs.** 345 programs conducted activities to increase the amount parents read to their children with 268,158 children, 207,743 parents, and 36,218 other family members. Another 218 organizations received mini-grants to promote improved family literacy practices.
- **Kindergarten transition programs.** 281 programs provided activities to 231,908 children about to enter kindergarten and 123,769 parents of children entering kindergarten. 364 programs provided 7,327,958 parents and related community members with information about ways to help children become ready to succeed in school through community outreach activities. Finally, 205 organizations received mini-grants to provide kindergarten transition activities.
- **Early care and education referrals and resources.** 224 programs provided information on and referrals to early child care and education programs to 341,013 people, and 102 programs provided subsidies or vouchers for child care and preschool to 78,335 people.



## Services to Improve Child Health

- **Health care.** 679 programs (50% of programs) provided health care services to 468,896 children, including 290,260 nutrition assessments and educational sessions, 212,655 health screenings (including vision and hearing), 128,076 well-baby or well-child checkups, 108,392 immunizations, 37,176 acute medical care visits, and 188,069 other health services. Mini-grants were awarded to 106 organizations to provide nutrition assessments and education, 42 organizations to conduct health screenings, and 42 organizations to provide acute medical care.
- **Health insurance enrollment/assistance.** 392 programs helped 360,781 program participants enroll in low-cost and public health insurance programs for children ages 0-5.
- **Prenatal and birth care and education.** 287 programs provided prenatal and birth care education and services to 271,193 expectant parents. Also, 149 programs promoted prenatal care education through public outreach materials to a total audience of 3,920,472. 106 organizations received mini-grants to provide prenatal care and education to expectant parents.
- **Oral health treatment, screening, or prevention.** 233 programs provided oral health treatment, screenings, and education to 479,259 participants. Additional oral health services were provided by 24 organizations that received mini-grants for that purpose.

An additional 5,887,547 children and parents received information to promote health care for children (including oral health) through public outreach materials conducted by 263 programs; and 3,173,288 children and parents received information about nutrition through similar activities conducted by 219 programs. An additional 163 organizations received mini-grants to provide oral health services.
- **Safety education and injury/violence prevention.** 416 programs provided 593,598 people with education and services to prevent injuries and violence. In addition, 253 programs provided 3,243,190 parents and related family members with information about injury prevention through community outreach efforts. 245 organizations also received mini-grants to provide injury and violence prevention education and services.
- **Breastfeeding assistance.** 164 programs provided breastfeeding assistance to 256,796 new mothers. 104 programs promoted breastfeeding through media campaigns, community events, and public outreach materials, reaching a total audience of 4,338,816 people.
- **Car seat distribution.** 161 programs distributed and correctly installed car seats to prevent injuries and deaths of young children in automobile accidents, serving 174,851 people. 82 additional organizations received mini-grants to support this activity.
- **Tobacco cessation education or treatment.** 157 programs provided tobacco cessation education and treatment to 132,770 parents and 29,963 other family members. 113 programs shared information about the importance of not smoking when pregnant or near children, and on how to stop smoking, with 2,755,565 people through community outreach efforts. Finally, 24 organizations received mini-grants to provide tobacco cessation services and education.

First 5 programs are promoting child health in many ways.

Half of First 5 direct service programs provided health care services and education to 468,896 children.

First 5 programs helped enroll 360,781 children in low-cost and public health insurance programs.

Oral health treatment, screenings, and education were provided to 479,259 program participants.

Education and services to prevent childhood injuries were provided to 593,598 program participants, and 3,243,190 parents and related family members learned about injury prevention through media and other public outreach efforts.

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

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

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

### *Services to Improve Systems of Care*

- **Service coordination.** 398 programs provided service coordination for 608,120 participants, of whom about 43% were children. In addition, 31 organizations received mini-grants to establish or expand their service coordination efforts.
- **Transportation services or vouchers.** 300 programs provided transportation services to 577,157 people, 45% of which were for children ages 0-5. An additional 20 organizations received mini-grants to provide transportation services.

### *Provider Capacity Building and Support*

First 5 funded programs also focused on supporting providers to increase accessibility and quality of services. Programs funded by First 5 served 593,332 providers.<sup>2</sup> Early care and education (ECE) providers, particularly center-based providers, were the most frequently targeted recipients of provider capacity building and support activities; 222,958 of these professionals were served.

Almost two-thirds (59%) of the provider capacity building activities involved group or individual training, which covered a number of topics. Trainings targeted largely providers caring for and educating children in home-based (family-based) and center-based child care and preschool facilities (58%) and family support providers (29%) such as case managers, family advocates, eligibility workers, and psychologists. Most of the training sessions provided information on practices and information to support school readiness and on identifying and serving children with disabilities and early mental health needs. In addition to training providers, First 5 funding offered several other types of support, including retention and training stipends, program materials to use directly with children and families, informational materials to improve service delivery, and meetings and events to develop professional networks. In addition, 283 organizations received mini-grants to promote professional development of service providers (73% focused on preschool educators and early care providers).

### *Infrastructure Investments*

337 programs received funding to increase the accessibility and quality of services through infrastructure investments (e.g., investing in buildings, equipment, and materials). Three-quarters of these programs purchased equipment and materials to enhance service quality, and 43% made facility improvements. Most of these investments were made in schools and districts, nonprofit organizations, and child care centers and preschools. In addition, mini-grants were distributed to 606 agencies (74% of which were child care centers and preschools) to purchase equipment or materials to enhance service quality.

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<sup>2</sup> This is not an unduplicated count. Providers may be counted more than once if they received multiple services.

## **Systems Change Activities and Outcomes**

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

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

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

The most widely funded approaches are: home visiting programs; family resource centers; provider training and support; large efforts to create universal access to health care and preschool programs; consultation to providers on early mental health issues; mobile services to provide dental care, health screenings, and family literacy programs; and family violence emergency response networks.

Programs and participants reported that First 5 efforts have improved systems of care:

- Program participants were very satisfied with the services and information they received through First 5 programs and reported that they really helped both their children and their families.
- First 5 programs reported offering services at convenient locations and hours, and First 5 program participants reported that services were easy to access.
- First 5 County Commissions and their funded programs are offering more family-focused and preventive services than in the past.
- First 5 service providers and materials reflect the diverse populations they serve, with many services available in families' primary languages and materials adapted to families' literacy levels.
- First 5 programs reported increased service integration across agencies, resulting in higher-quality and more accessible services and in reductions in service duplication and gaps across agencies.
- Programs made and received more referrals and developed a greater awareness of community resources, and the majority of families reported hearing about services available in the community through First 5 programs.
- Programs have increased their use of evaluation data to inform program refinement and future investments.
- County Commissions and funded programs have actively engaged community members to help them design their strategic plans and programs, and participants reported feeling that staff listened to their suggestions.
- Most County Commissions help their funded programs to develop broader funding sources and partnerships that will promote program sustainability.

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

Program participants overwhelmingly reported that First 5 services were:

- Accessible
- Culturally competent
- Very helpful
- Family-focused
- Linking them to other community resources.

Because of First 5 funding, programs increased:

- Accessibility of services
- Quality of services
- Cultural competence of services
- Service integration
- Coordination of services across agencies.

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

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

More than half of the children in SR Initiative schools are English learners, and 70% live in low-income households.

## SCHOOL READINESS INITIATIVE ACTIVITIES AND OUTCOMES

The School Readiness (SR) Initiative is a State and County Commission partnership that includes county-level matching funds, which bring the total funding to \$413 million. This important initiative aims to improve the ability of families, schools, and communities to prepare children to enter school ready to succeed. The SR Initiative targets young children and their families in all California counties, focusing on communities served by high-priority schools, those whose scores on the Academic Performance Index (API) are in the first three deciles. The SR Initiative included 786 schools, in all 58 counties, associated with 206 funding applications. The SR Initiative is designed to take a comprehensive approach to supporting children's success in school by having a positive impact on children, their families, their communities, and the systems of care designed to serve them.

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

### *SR Initiative Program Activities and Participants*

- SR Initiative programs and services have served many of the children attending high-priority schools and their families<sup>3</sup>:
  - 832,824 children and their family members received direct services.
  - 926,658 parents and family members were reached through community outreach activities.
- The First 5 SR Initiative is targeting the very children who are most in need of its services and supports in order to help them to be successful when they enter school. These children are primarily:
  - Latino (76% vs. 47% among all California kindergartners, compared with 15% nationally).
  - English learners (58% have a primary language other than English, predominantly Spanish).
  - Living in low-income households (70% with annual household incomes of less than \$30,000, compared with 42% nationally). About half (56%) of the families are receiving some form of public assistance.
- SR Initiative programs also provided trainings and other supports to improve the skills and capacity of 142,291 service providers working in early education, health, and social service programs and kindergarten teachers.

County Commissions used their SR Initiative funds to support strategies similar to those being funded with other First 5 funds. However, SR Initiative programs more often included kindergarten transition (50% vs. 11%), early preschool education (61% vs. 35%), and family literacy services (43% vs. 20%) than did programs not receiving SR Initiative funds.

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<sup>3</sup> These are not unduplicated counts. An individual may have been served by more than one program and, in some cases, more than once by the same program.

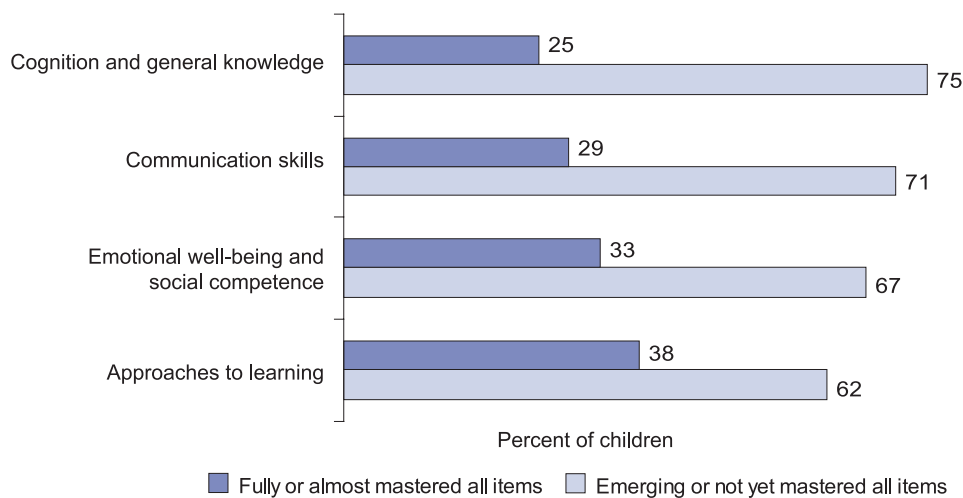
## Ready Children

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

- Relatively few children had full or almost full mastery of skills known to be important for school success and for successful transition to kindergarten (Exhibit 3).
- Children in poor or fair health had lower mastery of important school readiness skills than children in good or excellent health.
- Children who participated regularly in early childhood education programs before attending kindergarten had significantly better mastery of key developmental competencies.
- Parents had concerns about their children’s development, and these parental concerns were well-founded.
- There may be many children with developmental delays, disabilities, and other special needs that have gone undetected.
- Children whose families regularly engaged in literacy activities (reading, singing, or storytelling three or more times a week) had significantly better mastery of developmental competencies at kindergarten entry.
- Parenting education and support services promoted activities that led to increased school readiness.

**Exhibit 3**

### Overall Level of Children’s Developmental Mastery at Kindergarten Entry



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

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

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



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

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

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

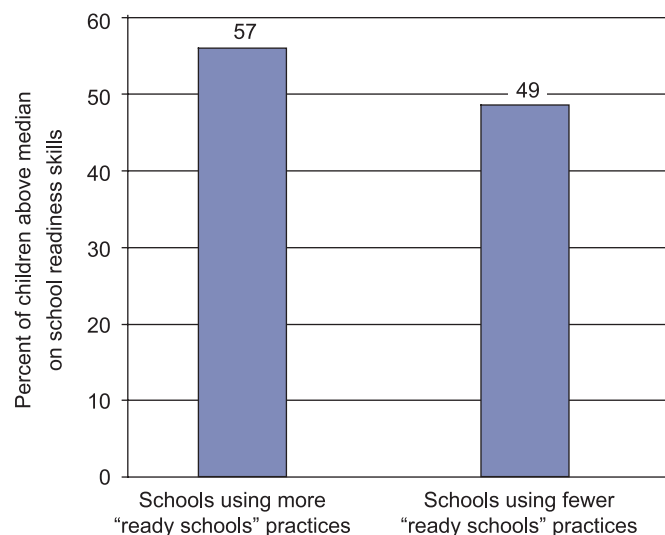
## Ready Schools

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

SR Initiative schools have demonstrated increased readiness to serve children:

- Schools offered new or expanded on-site pre-kindergarten services and programs as a result of First 5 SR Initiative funding.
- Schools were better able to create linkages with early care and education programs as a result of First 5 SR Initiative funding.
- Schools have been supporting the school readiness and learning of English learners.
- Schools have been working to serve children with disabilities and other special needs, but increased efforts are needed.
- Schools implemented activities to help children transition smoothly to kindergarten, and most parents were satisfied with these efforts.
- Communities of schools that provided more early childhood and family support services and programs had more children with better mastery of important school readiness skills at entry to kindergarten.
- Schools that had more fully implemented the National Education Goals Panel's "ready schools" practices had more children with better school readiness skills at kindergarten entry than those schools that had not (Exhibit 4).

**Exhibit 4**  
**"Ready Schools" Practices and Children's School Readiness Skills at Kindergarten Entry**





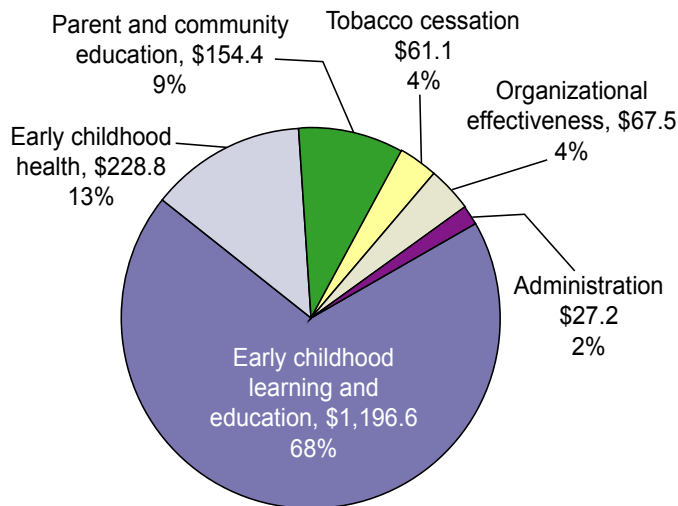
## STATE COMMISSION'S REVENUES AND EXPENDITURES

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

**Exhibit 5**  
**Fiscal Year 2003-04 State Commission Fiscal Summary**

Beginning Fund Balance, as of July 1, 2003	\$125,367,572
Tax Revenue	\$114,458,961
Interest Income	\$4,749,384
<b>Total Resources</b>	<b>\$244,575,917</b>
Expenditures	\$(83,083,140)
<b>Year-end Fund Balance, as of June 30, 2004</b>	<b>\$161,492,777</b>

**Exhibit 6**  
**Financial Forecast for State Funds, 2004-05 through 2009-10, by Goal**  
**(Millions of dollars)**



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

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

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

## COUNTY COMMISSIONS' REVENUES AND EXPENDITURES

### County Commissions' Revenues

First 5 California disbursed \$503,171,352 to County Commissions for local activities.

In fiscal year 2003-04 (July 1-June 30), First 5 California disbursed \$503,171,352 to the 58 County Commissions. As shown in Exhibit 7, the majority of County Commissions' revenues came from monthly disbursements from First 5 California. The School Readiness Initiative and non-First 5 funds represented relatively small proportions of County Commissions' overall revenues.

**Exhibit 7**  
**Sources and Amounts of County Commissions' Revenues**

Source	Amount
<b>First 5 California funds</b>	
Monthly disbursements	\$458,509,867
\$200,000 Baseline funds	\$863,581
Augmentation funds: Administrative	\$2,737,708
Retention Incentives for Early Care and Education Providers	\$5,653,206
Surplus Monetary Investment Funds (SMIF)	\$823,467
School Readiness (SR) Initiative funds	
Program funds	\$31,718,523
Implementation funds	\$2,865,000
<b>Total First 5 California funds</b>	<b>\$503,171,352</b>
<b>Non-First 5 California funds</b>	
Grants	\$2,401,554
Donations	\$162,696
Interest earned	\$24,978,125
Other non-First 5 funds	\$6,115,728
<b>Total non-First 5 funds</b>	<b>\$33,658,103</b>
<b>Total revenues</b>	<b>\$536,829,455</b>

**Exhibit 8**  
**County Commissions' Expenditures of First 5 Funds**

Type of Expenditure	Expenditure Amount	Percentage of Total Expenditures
First 5 (except SR Initiative) funds disbursed to programs*	\$356,367,325	84
SR Initiative funds disbursed to programs*	\$27,125,077	6
Administrative expenses	\$42,555,957	10
<b>Total 2003-04 funds expended</b>	<b>\$426,048,359</b>	<b>100</b>

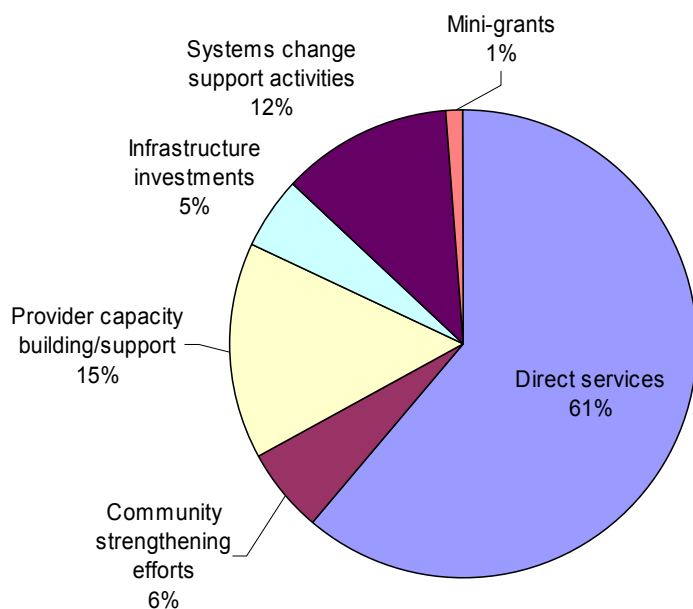
\*Includes programs funded by mini-grants.

## County Commissions' Expenditures

As discussed above, County Commissions made investments using First 5 California funds in a wide variety of programs and services for young children and their families. The majority of investments, \$383,492,402, were spent on 2,433 programs to promote family support, early care and education, child health, and improved systems of care, with administrative costs representing only 10% of all expenses. Exhibit 8 shows the types and amounts of expenditures by County Commissions in fiscal year 2003-04.

**Expenditures by strategy.** County Commissions provided funding to support a wide variety of services and activities, with direct services and provider capacity building/support receiving the most funding (61% and 15%, respectively). The percentages of First 5 funds spent by funded programs on five strategies and on mini-grants are shown in Exhibit 9.

**Exhibit 9**  
**Distribution of Funded Programs' Expenditures**



**Expenditures by type of organization.** County Commissions disbursed First 5 and other funding to a wide range of agencies and organizations in their counties. The variety of agencies and services they funded aimed to create a comprehensive system of care for young children and their families. The organizations funded most frequently were nonprofit community agencies; schools (including state preschools) and school districts; departments of health, social services, and mental health; private medical organizations; other county agencies; and family resource centers (Exhibit 10).

The majority of investments were spent on 2,433 programs to promote family support, early care and education, child health, and improved systems of care.

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

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

**Exhibit 10**  
**Funded Activities and Services Most Commonly Provided**

<b>Organization Type</b>	<b>Type of Activity (Percent of participants who received services)</b>
<b>Community-based or other nonprofit organizations</b>  <b>Funding:</b> \$136,836,340  <b>Number of organizations:</b> 842	Community resource and referral (39%) Parenting education (37%) Health insurance enrollment/assistance (26%) Nutrition education and assessments (24%) Early education programs for children (24%) Safety education and injury/violence prevention (23%) Service coordination (22%) Distribution of Kit for New Parents (21%) Parenting/caregiver support (21%) Transportation services/vouchers (20%)
<b>Schools and school districts</b>  <b>Funding:</b> \$62,829,252  <b>Number of organizations:</b> 434	Early education programs for children (49%) Community resource and referral (25%) Kindergarten transition programs (23%) Parenting education (19%) Health insurance enrollment/assistance (16%) Developmental screenings/assistance (16%)
<b>Departments of health</b>  <b>Funding:</b> \$31,070,610  <b>Number of organizations:</b> 138	Community resource and referral (47%) Nutrition education and assessments (42%) Breastfeeding assistance (38%) Safety education and injury/violence prevention (29%) Prenatal and birth care and education (29%) Enrollment in food programs (27%) Health insurance enrollment/assistance (25%) Service coordination (24%) Parenting education (22%) Distribution of Kit for New Parents (19%) Tobacco cessation education and treatment (19%)
<b>Private medical and other private organizations</b>  <b>Funding:</b> \$22,626,611  <b>Number of organizations:</b> 158	Parenting education (41%) Community resource and referral (39%) Oral health treatment, screening, or prevention (35%) Nutrition education and assessments (27%) Health insurance enrollment/assistance (26%) Parenting/caregiver support (25%) Health screenings (25%) Breastfeeding assistance (20%) Developmental screenings/assistance (20%)
<b>Other county agencies</b>  <b>Funding:</b> \$16,430,148  <b>Number of organizations:</b> 85	Mental health assessments (49%) Community resource and referral (46%) Parenting education (40%) Developmental screenings/assistance (38%) Service coordination (35%) Safety education and injury/violence prevention (33%)
<b>Family resource centers</b>  <b>Funding:</b> \$16,102,663  <b>Number of organizations:</b> 101	Community resource and referral (66%) Nutrition education and assessments (48%) Health insurance enrollment/assistance (45%) ECE/child care resource and referral (42%) Prenatal and birth care and education (40%) Oral health treatment, screening, or prevention (36%) Breastfeeding assistance (33%) Immunizations (33%) Parenting education (28%) Parenting/caregiver support (21%)

The County Commissions are funding the entire range of agencies that serve young children and their families and are encouraging them to coordinate and collaborate with each other.

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

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

## CONCLUSION

In summary, First 5 California funding has enabled the State and County Commissions to invest in young children during the most critical period (birth to age 5) of their cognitive, social, and physical development. These investments have reached many of California's young children. Close to 19 million young children, parents, and other family members received services or information through First 5 programs; about 3.4 million of these people received direct services, and more than 15 million were reached through community outreach activities. The majority of funding for programs (61%) has been used to provide direct services to children and families, such as preschool classes, preventive health services, and parenting education. Significant investments (15%) also have been made in activities to further develop the skills and resources of service providers and teachers so that they can provide higher-quality child care and education, as well as other services, to children and their families.

Programs have been successful at reaching out to culturally and linguistically diverse populations and to families with children with disabilities and other special needs. Many First 5 programs focus on children most at risk of not having access to the services and supports needed for optimal early development.

The State and County Commissions are funding the entire range of agencies that serve young children and their families and are encouraging them to coordinate and collaborate with each other. These investments have funded 2,433 programs to promote family support, early care and education, and child health, and to improve systems of care for young children and their families.

All of these First 5 efforts and investments are helping communities to better support families, families to better support their children's optimal health and development, and children to be more successful when they begin school and in later life. By providing a wide range of services and coordinating those activities across agencies, First 5 is making a difference in systems of care for California's young children and their families and is leading to improved child health and development and family functioning. As a result, California's young children are more likely to be successful in school and in life—the ultimate intent of the Proposition 10 legislation, to which First 5 will continue its commitment in the future.



Many First 5 programs focus on children most at risk of not having access to the services and supports needed for optimal early development.

First 5 efforts and investments are helping communities to better support families, families to better support their children's optimal health and development, and children to be more successful when they begin school and in later life.