



Impact of Dismantling Proposition 10 for California

Any proposal to eliminate the voter-approved First 5 Proposition 10 will immediately put California's children at greater risk.

- This will take away 2.7 million health and early education services that form a critical safety net for families in need – and with rising unemployment rates, more families fall into this category every day.
- First 5 California is the largest and most stable funding source of health coverage for children up to age 5 in our state. We work to assure that no child will lose access to health care because of a family's lost employment or increased health care premiums.
 - Statewide, last year we spent more than \$48 million on children's health care.
 - Statewide, last month we offered an additional \$16.7 million to the Healthy Families program, safeguarding more than 65,000 young children from waiting lists for health coverage due to the budget crisis. *First 5 San Francisco contributed \$165,000 to this fund.*
- First 5 California services and programs are broader than children's health coverage – we are the only agency providing many essential services to young children.
 - We are the only consistent funding source for developmental screening and follow-up services.
 - We offer free medical, therapeutic and oral health services.
 - We fund what experts consider some of the best preschools.
 - We provide critical support programs to protect children at risk of abuse or neglect while keeping families intact.
 - We provide free parent workshops, Family Resource Centers and community events to promote the well-being of families.
- If First 5 California were abolished to help balance the budget, this would lead to greater demand for remedial education, higher rates of crime, and greater need for welfare assistance.
 - Research shows that for every dollar invested in early care and education programs, savings of up to \$17 can be expected.

Current Efforts to Protect Proposition 10

- First 5 California, First 5 Association, and First 5 San Francisco are exploring innovative partnership solutions throughout the state and locally.
- First 5 California and the First 5 Association are regularly meeting with our state legislators to defend the establishment of sustainability plans in anticipation of future reduced revenue environments.

First 5 San Francisco Programs and Services

San Francisco County is home to more than 48,000 children between the ages of birth to five.

- These children are racially, ethnically, and culturally diverse, with nearly half of children designated as English Language Learners following entry into kindergarten.
- 14% of San Francisco children ages birth to five are living in poverty.

FIRST 5 San Francisco manages over 220 community and public agency grants and contracts in order to provide much needed services for San Francisco's youngest children and their families.

We ENSURE children are healthy by:

- Funding monthly health insurance premiums for 550 children annually with plans to more than double the number of children reached in the coming year.
- Providing thousands of free hearing, vision, and dental screenings to over 800 children annually
- Screening and assessing over 500 children in targeted high need neighborhoods for developmental and behavioral concerns

We ENSURE children are prepared for school by:

- Funding a subset of seven Family Resource Centers in targeted high-need neighborhoods for enhanced service to children 0-5 including: mental health consultations, health screenings, early literacy consultations, developmental screenings, and support enrolling children in kindergarten.
- Offering low-cost, high quality preschool for all San Francisco's four year olds through 100 Preschool for All sites that enroll 2400 preschool age children this year.
- Supporting a wide spectrum of professional development, training and technical assistance opportunities for San Francisco's early childhood education providers in order to ensure a well-trained and stable workforce equipped to provide high quality early childhood education.
- Partnering with San Francisco Unified School District to implement several kindergarten transition pilot projects, including enhanced outreach to parents around kindergarten enrollment, joint professional development for elementary teachers and early childhood education providers, and summer orientation camps for children entering kindergarten.

We CONNECT families to parenting resources through:

- Funding to 15, primarily neighborhood-based, Family Resource Centers that provide a comprehensive array of parent education, linkages to needed family resources, and community building activities to over 3,500 children birth to five and their parents, caregivers and other family members.
- Targeted funding to 7 family support agencies operating City-wide to meet the unique needs of over 900 children and parents/caregivers from several special populations of families, including: new immigrant Asian families; homeless families; Lesbian, Gay, Bisexual, Transgender, Queer (LGBTQ) families; and families of children with special needs.

- Parent ACTION, a parent small grants program, that provides parent groups with two years of funding and technical support to design and implement projects that best address their needs or needs they have observed within their community. As parents implement their projects they develop new leadership skills and new supportive connections with providers and other parents.
- Free community events and activities that focus on shaping our children's development and reach several thousand San Francisco residents each year.

We STRENGTHEN systems of care by:

- Funding 5 collaborative groups of grantees to build partnerships, better leverage community resources, and improve the coordination of services to young children and their families.
- Jointly funding a quarter of community grants with other public and private funders to leverage additional resources, diminish administrative burden on grantees, and better ensure sustainability of programs.
- Engaging with more than 100 community stakeholders in a multitude of planning and policy initiatives at the local, regional, and state level around issues that directly affect the lives of children birth to five and their families.

Fund Balance Fact Sheet First 5 San Francisco

Fund Balance

- Focus on year end fund balance is misleading and does not account for First 5 San Francisco's intention to make long-term commitments to our community
- Loss of Proposition 10 revenues would necessitate significant cuts to evidence-based programs for neediest families and their children
- Most of the \$2 billion in commission fund balances for all 58 county commissions is committed funds, and not "found money" available to address the current budget shortfall

58 First 5 County Commissions (aggregate 2008-09 fund balances)

- Statewide year end county commission fund balance = \$2.1 billion
- 56.6% is tied up in multi-year programs (encumbrances, legal obligations, and required matching funds)
- 37.6% is reserved for new initiatives and to sustain programs as tobacco revenues decline. (Note: the new federal tobacco tax to fund SCHIP will have a significant impact on Prop 10 revenues)
- 94.3% of the total statewide fund balance is committed

First 5 San Francisco (aggregate 2008-09 fund balance)

- The fund balance on First 5 San Francisco's balance sheet as of 6/30/08 is \$27 million, which reflects the financial position of the organization at this particular point in time.
- 4.5% is tied up in multi-year programs (encumbrances, legal obligations, and required matching funds)
- 41.9% is committed to the Reserve Fund, providing a year of transition funding to programs should Prop 10 funding drastically diminish or be eliminated in the future
- 53.6% is reserved per the Commission-approved Sustainability Plan through 2015-16 to support new initiatives and to sustain programs as tobacco tax revenues decline
- **100% of our total fund balance is committed**
- Focus on year end fund balance is misleading and does not account for First 5 San Francisco's intention to make long-term commitments to our community.

- Certain legislative members interpret that the fund balance is available to spend, not taking into account that 100% of this money is committed, as seen below.
- The audited fund balance as of June 30 is as follows:

Schedule of Governmental Fund Balance

	<u>For the Year Ended June 30, 2008</u>	<u>Comments</u>
Total Fund Balance	\$ 26,969,381	
Committed Funds:		
Reserve for Encumbrances	\$ 1,094,795	Grants and contracts
Reserved for Appropriations	\$ 100,000	Outstanding commitments
Prop 10 Reserve Fund	\$ 11,309,237	One-year of funding reserve
Program Sustainability	\$ 14,465,349	Per Sustainability Plan
Total Committed Funds	\$ 26,969,381	
Total Uncommitted Funds as of June 30, 2008	\$ 0	100% of Funds are committed