

FIRST 5 CALIFORNIA  
2009–2010  
Annual Report



Health. Education. Services. Support.





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**2009–2010**  
Annual Report



California Children and Families Commission



Health • Education • Services • Support

## Message from the Executive Director

I am pleased to present *First 5 California's Fiscal Year 2009-2010 Annual Report*. This comprehensive summary provides state and county fiscal data along with information on the programs supported by First 5 California in its mission to serve the state's youngest children and their families.

First 5 California is proud of its accomplishments this year, with the implementation of programs and services that have helped countless children prepare for success in school and in life. Our efforts cover a spectrum of health and education resources, from funding health insurance for California's youngest and most vulnerable children to the support of high-quality early education experiences. We value our ongoing collaboration with First 5 county commissions and the many other partners in our work to support programs and activities that address the needs of California's children. First 5 California continues to meet its goal of serving all children regardless of ethnic, geographical, socioeconomic, or immigration status, including children with disabilities and other special needs.

As we share our successes, First 5 California is equally enthusiastic about the future. We continue to build on successful past efforts through the development of focused "Signature Programs" designed to support children, their families, and the early childhood education work force. These wide-reaching programs and pilot projects will include results-based measures to document their impact on early learning.

This *Annual Report* highlights the outcomes achieved by First 5 California together with our many dedicated state and county partners in their work on behalf of California's children. Through these partnerships and the development of innovative programs, we remain confident that we will be able to rise to new challenges and ensure that our state's youngest children receive the services and support they need to succeed.

Kris Perry, Executive Director

First 5 California

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# Chapter 1: The First 5 California Story

## OUR HISTORY

Proposition 10, also known as the California Children and Families Act (the Act), led to the creation of the First 5 California Children and Families Commission (First 5 California). The key purposes of First 5 California are promoting, supporting, and improving the early development of children from prenatal to five years of age. The Act specifies that these purposes shall be accomplished through the establishment, institution, and coordination of appropriate standards, resources, and integrated and comprehensive programs emphasizing community awareness, education, nurturing, child care, social services, health care, and research.

The Act also authorizes the establishment of county commissions and sets forth the requirement that each county commission develop a local strategic plan. The Act empowers First 5 California to prepare guidelines to assist county commissions in the formation and execution of their strategic plans.

The Governor, Speaker of the Assembly, and Senate Rules Committee appoint the seven voting Commission members, with the Governor appointing the Chairperson and two other members, and the Speaker and Senate Rules each appointing two members. Exhibit 1 shows the First 5 California Commission members active in Fiscal Year 2009-2010 (FY 09/10).

The Commission hires the First 5 California Executive Director. The current Executive Director is Kris Perry, who has served in this capacity since July 2005.

### EXHIBIT 1: First 5 California Commission Members FY 09/10

Commission Member	Appointing Power
Joseph Munso, Chair	Governor
Molly Munger, Vice Chair	Speaker of the Assembly
Maria Minon, M.D.	Governor
Conway Collis	Speaker of the Assembly
Patrick Duterte	Governor
Casey McKeever	Senate Rules Committee
Joyce Iseri	Senate Rules Committee
Ex Officio Members	
S. Kimberly Belshé	Secretary of the California Health and Human Services Agency
Bonnie Reiss	California Secretary of Education



## HOW WE WORK WITH FIRST 5 COUNTY COMMISSIONS

Each county commission consists of members appointed by the county board of supervisors. A county commission includes one member from the county's board of supervisors and two members from among county health officers and local government health-related service agencies.<sup>1</sup> The county board of supervisors appoints the remaining members from either the previously mentioned (non-board) organizations or from other county organizations with valuable early childhood development experience.

Chapter 2 includes a description of the programs funded in partnership between First 5 California and First 5 county commissions to support the early development of California's youngest children.



<sup>1</sup> Pursuant to California Health and Safety Code Section 130140, members shall also include persons responsible for county functions such as: children's services, public health services, behavioral health services, social services, and tobacco and other substance abuse prevention and treatment services.

*The key purposes of First 5 California are promoting, supporting, and improving the early development of children from prenatal to five years of age.*

Chapter 3 highlights state and local efforts and partnerships to raise awareness about early childhood development through media outreach and the *Kit for New Parents*.

## THE UNEQUIVOCAL VOICE FOR YOUNG CHILDREN: VISION, MISSION, AND GOALS

In 2007, First 5 California adopted a new strategic plan. As highlighted in the plan, First 5 California's mission, by 2012, is to be recognized as California's unequivocal voice for children ages 0 to 5 to ensure greater equity in their readiness for school. This mission supports the vision that all children in California enter school ready to achieve their greatest potential.

In support of its mission and vision, First 5 California set five strategic goals:

- **Goal 1: Focus on Policy Development**  
Implement a comprehensive policy agenda that elevates the needs of children 0 to 5.
- **Goal 2: Invest in Program Development**  
Establish and maintain a distinctive set of sustainable health and education programs for children 0 to 5.

- **Goal 3: Broaden Public Awareness**  
Build recognition and generate support for the needs of children 0 to 5.
- **Goal 4: Enhance Research and Evaluation**  
Assess the value of programs for children 0 to 5.
- **Goal 5: Strengthen Organizational Operations and Systems**  
Provide quality and cost-effective services to our partners.

### OUR COMMITMENT TO GOOD GOVERNANCE: FUNDING AND AUDIT RESULTS

Revenue to fund First 5 California and First 5 county commission activities comes from the Proposition 10 excise tax levied on cigarettes and other tobacco products. The State Board of Equalization collects tobacco tax revenue and deposits it into the California Children and Families Trust Fund. Pursuant to the formula set forth in Proposition 10, 20 percent of these funds are allocated and appropriated to First 5 California, and 80 percent to the 58 county commissions. In FY 09/10, First 5 California received \$96 million.

In accordance with Proposition 10, the State Commission funds are allocated and appropriated to the following accounts:

- 6% into the Mass Media Communications Account
- 5% into the Education Account
- 3% into the Child Care Account
- 3% into the Research and Development Account
- 2% into the Unallocated Account
- 1% into the Administration Account

Each county commission receives a portion of the total funds available to all county commissions. A county share is equal to the ratio of births recorded

in the county (for the most recent reporting period) in relation to the entire number of births recorded in California (for the same period).

The county commission funds support the activities of the 58 First 5 county commissions. These commissions, in turn, fund local family functioning, child development, child health, and systems of care programs and services.

First 5 California contracted with the California Department of Finance (DOF), Office of State Audits and Evaluations, to perform the FY 09/10 audit of First 5 California financial records. In November 2010, DOF submitted its final Audit Report on the Children and Families Trust Fund and related funds. The audit report reflects no negative findings.

### FISCAL HEALTH AND PROGRAM ADMINISTRATION

First 5 California's Administrative Services Division, Contracts and Procurement Division, and the Information Technology Office provide





staff resources to strengthen First 5 California's operations and systems through oversight and coordination of:

- Fiscal management of the California Children and Families Trust Fund
- Tax revenue disbursements to county commissions
- Local agreement and program disbursement management
- Procurement and contract management
- Workforce recruitment and development
- Information technology
- Audits and annual fiscal reports
- Business services

The Administrative Services Division, Contracts and Procurement Division, and the Information Technology Office administer these programs consistent with all applicable state and federal laws, rules, and regulations.

During FY 09/10, First 5 California responded boldly to address the gap in funding for the Healthy Families Program with an \$81.4 million contribution to the Managed Risk Medical Insurance Board to avert establishment of a waiting list for new applicants for children's health coverage. The funds were used to ensure much-needed health care services through June 2010 for more than 200,000 children ages 0 to 5.

Recognizing the importance of early intervention programs, First 5 California also provided \$50 million in FY 09/10 to support regional center services provided to new children ages 0 to 5 in the Early Start Program administered by the Department of Developmental Services.



## A SNAPSHOT: OVERVIEW OF THIS REPORT

Chapter 2, *How Our Programs Help Young Children*, provides information about the following First 5 California programs: Power of Preschool, Health Access, School Readiness, Low Income Investment Fund Constructing Connections, California Smokers' Helpline, and the In the Works: Signature Programs Targeting Young Children, Parents, and Teachers.

Chapter 3, *How We Reach Young Children in Need*, specifies how First 5 California used its FY 09/10 allocation to support public education and outreach, and results and evaluation.

Chapter 4, *How First 5 County Commissions Serve Families at the Local Level*, provides data on the services provided by county commissions, mapped to four result areas: family functioning; child development; child health; and systems of care.









## Chapter 2: How Our Programs Help Young Children

### POWER OF PRESCHOOL

Power of Preschool (PoP) provides free, voluntary, high-quality, part-day preschool to assist children in becoming effective learners who are personally, socially, and physically competent so that they are ready to transition into kindergarten. PoP demonstration projects provide the blueprint for making high-quality preschool more accessible to all children and their families.

With a focus on developing preschool in underserved and high-priority communities, the PoP program seeks to make quality preschool available to three- and four-year old children in participating counties, including children with special needs and English-language learners. First 5 California funds eight demonstration projects in eight counties (see Appendix A). In FY 09/10, PoP demonstration projects served 21,521 children: 59 percent Latino and 54 percent English-language learners.

First 5 California reimburses counties based on teacher qualifications and the number of children served. This program is unique in that it is the only state-funded program that reimburses based on teacher qualifications. In FY 09/10, First 5 California expended \$15.2 million to fund the PoP program. Counties may combine First 5 California funding with other state, federal, county, or private funding.

PoP provides children with:

- Health and developmental screenings, assessments, and follow-ups
- School readiness curricula
- Nutritious meals and snacks

- Transition support for those entering preschool or kindergarten
- Family partnerships and support services

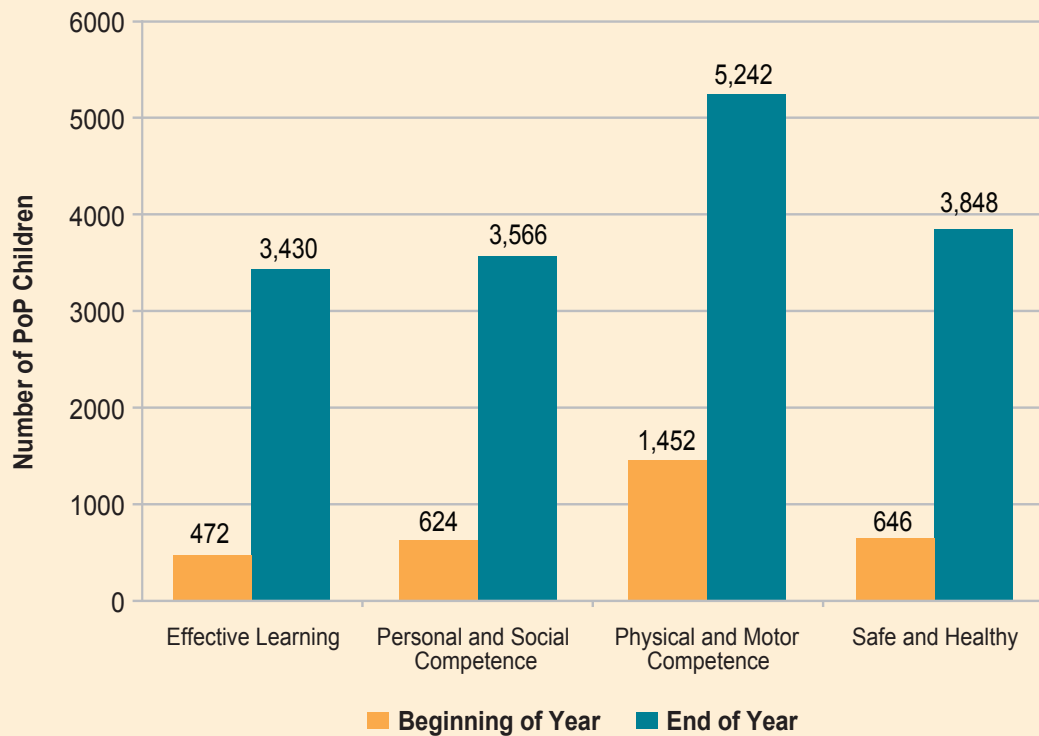
Data from all PoP sites in FY 09/10 indicate that:

- Preschools are high quality: classroom environmental assessments rate an average of 5.6 out of a possible score of seven
- Teachers are well qualified: 58% are Master Teachers with Bachelor's or higher degrees in early childhood education

PoP requires participating counties to use the Desired Results Developmental Profile-Revised (DRDP-R), a comprehensive assessment tool, to evaluate enrollees' progress. Children progress



## EXHIBIT 2: Power of Preschool—Integrating Level Change in FY 09/10



Source: Power of Preschool Evaluation and Data Collection, November 2010

through five DRDP-R developmental levels, from lowest (Not Yet at First Level) to highest (Integrating). In FY 09/10, participating PoP counties submitted DRDP-R data for 62% of all PoP enrollees (13,236 of 21,521 children). As depicted in Exhibit 2, pre- and post-program data show the number of children at the Integrating level increased by:

- 627% for Effective Learning
- 471% for Personal and Social Competence
- 261% for Physical and Motor Competence
- 496% for Safe and Healthy

## HEALTH ACCESS

The objective of Health Access is to ensure that all children in participating counties are insured and have access to quality medical, dental, and vision care services. First 5 California provides funds to assist with the insurance premiums for Healthy Kids, an expanded health insurance program administered by county coalitions known as Children's Health Initiatives (CHIs).

Health Access targets children who are ineligible for Medi-Cal or Healthy Families, and who have a family income at or below 300 percent of the federal poverty level, regardless of immigration status.



In FY 09/10, 14 counties participated in Healthy Kids, providing an estimated 3,781 children ages 0 to 5 with health insurance. Of the 14 counties participating, seven participated the entire fiscal year. County commissions must contribute at least four dollars for every First 5 California dollar they receive for the Health Access project. First 5 California provided approximately \$825,000 to support Health Access in FY 09/10.

A January 2010 research study collected information on the statewide impacts of the Healthy Kids program on a range of outcomes for children ages 0 to 5. This study compared access, quality, and health status/outcomes between wait-listed children, new enrollees, and established enrollees. This study found that established enrollees were 26 percent more likely to have a regular source of dental care, 10 percent more likely to have a regular source of health care, 8 percent less likely to report foregone dental care in the past year, and 5 percent less likely to report foregone medical care in the past year. Healthy Kids appears to greatly improve access to medical and dental care for established enrollees and to reduce episodes in which families sacrifice needed health services.

### SCHOOL READINESS

The School Readiness (SR) Program strives to improve the ability of families, schools, and communities to prepare children to enter school ready to learn. While counties design their programs to fit their specific needs, they must provide services in each of the following four focus areas:

- Family Functioning
- Child Development
- Child Health
- Systems of Care

SR programs target children ages 0 to 5 and their families in schools with an Academic Performance Index (API) score in the lowest three deciles

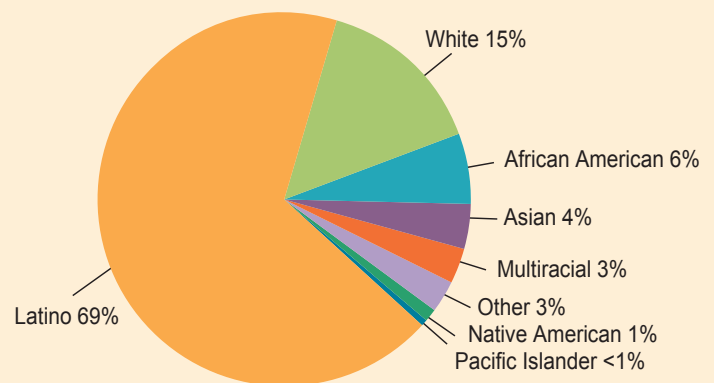
statewide. These schools include children who speak diverse languages and are from varying cultures. In FY 09/10, First 5 California funded 185 SR programs across 57 counties (see Appendix A).

SR programs provided services to 264,413 individual California residents in FY 09/10. Children received 403,993 services: 118,381 child health services; 126,514 child development services; and 159,098 family functioning services. While children and adults from all ethnic groups received services, for those reporting an ethnicity, Latinos were the largest recipient group (see Exhibit 3).

Exhibit 4 shows that for those reporting a primary language, SR services were provided to children who spoke Spanish 54 percent of the time, English 32 percent of the time, and a variety of Asian languages slightly more than two percent of the time.

County commissions must contribute at least one dollar for every dollar they receive from First 5 California toward SR programs. In FY 09/10,

**EXHIBIT 3: School Readiness—Ethnicity of Children Served by School Readiness Programs in FY 09/10**



The percentages in this chart may not add to 100 due to rounding.  
Source: County Demographic Worksheet, November 2010

First 5 California disbursed approximately \$51.7 million to the 57 participating county commissions.

Schools and educational institutions, community-based agencies, government agencies, private institutions, and First 5 county commissions all provided services to children and adults in order to improve school readiness.

The First 5 California SR program allows county commissions to design programs to meet the unique needs of their communities. Each county commission evaluates its programs to determine whether they are making an impact on the population the county serves. First 5 Mendocino and First 5 Tehama SR evaluation results demonstrate the program's impact.

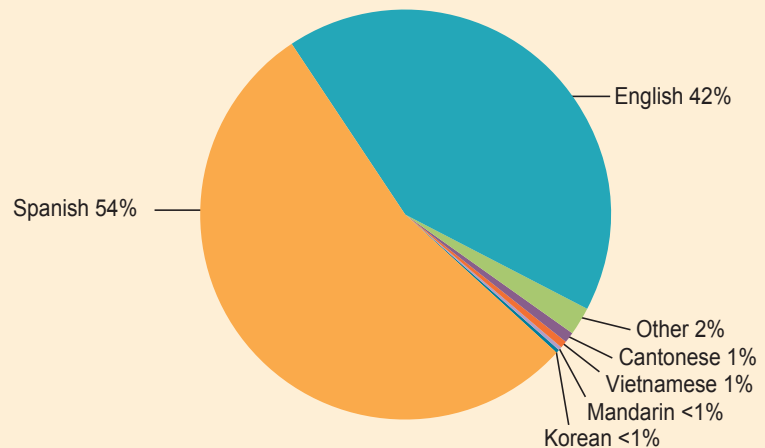
First 5 Mendocino uses SR program funds in a variety of approaches to support children's readiness to learn. Two of note are the Kindergarten Entry Profile (KEP) that assesses child-specific readiness across six developmental domains, and a parent survey that assists parents seeking school readiness for their children.

KEP results indicate that between 2006 and 2009, students participating in SR activities showed a five percent increase in "Readiness" for school (defined as having "Fully Mastered" or "Almost Mastered" skills across domains of social-emotional, language, literacy, and math.) Results also demonstrated that children who had had a preschool experience were 12 percent more likely to score as "Ready for School" compared to children who had not attended a preschool.

Parent survey results were used for multiple purposes:

- Linking families to medical services, including Healthy Kids Mendocino

#### EXHIBIT 4: School Readiness—Primary Language of Children Served by School Readiness Programs in FY 09/10



The percentages in this chart may not add to 100 due to rounding.  
Source: County Demographic Worksheet, November 2010

- Linking parents to community resources on child development and parenting, including the Raise & Shine program
- Linking families to developmental assessments and interventions
- Determining the success of outreach strategies being implemented to reach child care providers and parents to connect them to a school site

First 5 Tehama's program is designed to incorporate several school readiness services based on desired outcomes. These include access to health and dental care, family literacy activities, increased parenting skills, developmental screenings, identification of children who have had no previous early care and education, and referrals to child care and other providers. In addition, this project seeks to link every family with a medical home, an early care provider, a Family Resource Center, and their local elementary school. To measure results, the School Readiness program implemented the Families and Schools

Together (FAST) program, which administers FAST pre- and post-tests of family functioning.

After six months of integrated school readiness services, FAST scores indicate that children in Tehama County who entered kindergarten in the fall of 2010 had greater access to health care, dental care, and early care and education programs than in previous years. For example, in the city of Corning between FY 07/08 and FY 09/10, the percentage of children who entered kindergarten with health insurance grew from 70 percent to 91 percent, the percentage of students with a physical exam grew from 81 percent to 93 percent, and students with an oral health exam increased from 73 percent to 93 percent.

### LOW INCOME INVESTMENT FUND CONSTRUCTING CONNECTIONS

The Low Income Investment Fund (LIIF) Constructing Connections is one of four components of the Affordable Buildings for Children's Development (ABCD) Initiative designed to promote and support development of quality child care facilities and spaces. Constructing Connections is an innovative program that increases availability of quality child care facilities by creating integrated supportive community-based resources and expertise throughout California. In FY 09/10, First 5 California provided approximately \$600,000 to support the work of Constructing Connections.

Constructing Connections coordinates and delivers technical assistance, training, knowledge, and facility financing information to support child care facilities development through lead agencies in several demonstration counties in California.<sup>2</sup> The lead agencies provide child care operators with in-depth technical assistance, training, and tools to access financing, design and construct quality facilities,

<sup>2</sup> FY 09/10 Constructing Connections (CC) counties were Amador, Merced, Orange, and Sacramento. In earlier project years, CC supported the following 11 counties: Amador, Calaveras, Kern, Los Angeles, Merced, Orange, Riverside, Sacramento, Santa Barbara, Solano, and Ventura.

and overcome local land use barriers. First 5 California funded development activities, bringing together child care providers, community planners and developers, financial institutions and small business leaders, child advocates, educators, and other local stakeholders to plan and support the development of child care spaces.

ABCD has leveraged more than \$86 million in resources in the creation or renovation of child care facilities and spaces. During FY 09/10, Constructing Connections assisted in creating 1,410 new child care spaces. Since its inception in August 2004, Constructing Connections has supported a total of 12,617 new child care spaces, with an additional 2,785 spaces under development. When the spaces under development are complete, ABCD will have surpassed its overall goal of 15,000 spaces by the end of 2010.



As the pilot project entered FY 09/10, Constructing Connections conducted an evaluation of the project from its 2004 launch through 2009. The evaluation results demonstrated the positive systemic impact Constructing Connections lead agencies made in

their communities. Overall, the evaluation highlighted the following results:

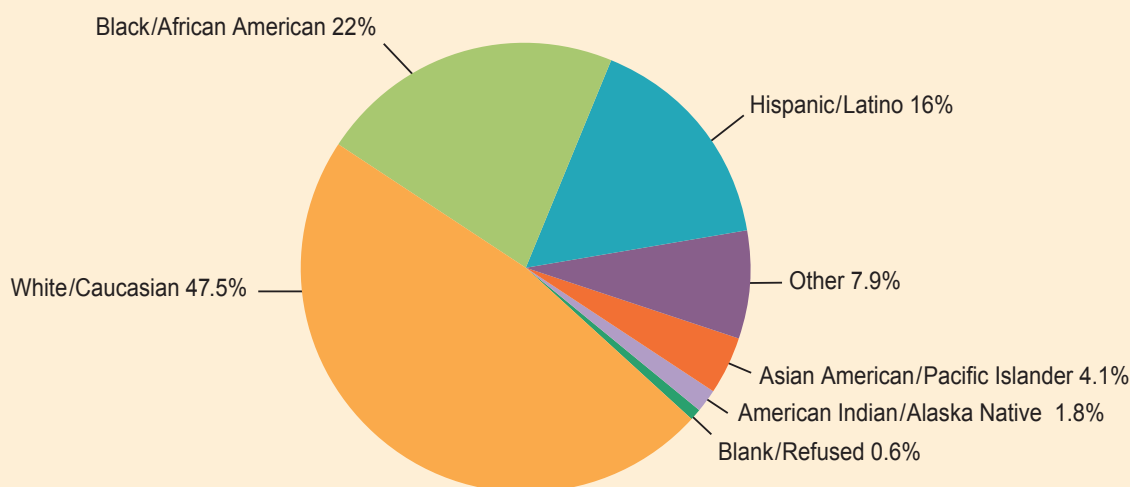
- Constructing Connections' sites greatly expanded community support and stakeholder involvement in the complex processes of developing quality child care facilities.
- Ten agencies built improved technical assistance support systems for child care facility development in their counties.
- Eight of ten lead agencies successfully reduced fees, improved zoning regulations, and streamlined processes related to child care facilities investment.
- All lead agencies reported that child care facilities in their communities are better positioned to receive public funding because of the relationships and credibility Constructing Connections built through work on regulatory issues.
- All lead agencies have plans or a process for maintaining leadership after the end of First 5 California funding and LIIF support.

## CALIFORNIA SMOKERS' HELPLINE

The California Smokers' Helpline helps individuals and families quit smoking by providing one-on-one telephone counseling, self help materials, and referrals to local resources through a toll-free helpline, 1-800-NO-BUTTS. Helpline counselors follow scientifically validated protocols proven to double the odds of callers successfully quitting. Caring staff who are fully trained to provide effective tobacco cessation support deliver these protocols. All services are available in English, Spanish, Mandarin, Cantonese, Korean, and Vietnamese.

Tobacco use among pregnant women is the leading preventable cause of infant mortality. Secondhand smoke can lead to lifelong health problems for children, yet quitting smoking while pregnant or while raising young children can be very challenging. In FY 09/10, First 5 California disbursed \$1 million to the Helpline to continue implementation of specialized counseling protocols and materials designed to give pregnant women, parents, and caregivers of young children the support they need to quit successfully.

EXHIBIT 5: California Smokers' Helpline—Ethnicity of Callers in FY 09/10



Source: California Smokers' Helpline, University of California San Diego, August 2010



In FY 09/10, a total of 31,009 people called the Helpline for assistance, including 19 percent who were either pregnant or caring for a child age 0 to 5. Sixty-two percent of “First 5 callers” had Medi-Cal coverage and 19 percent had no insurance at all, indicating the low socioeconomic status of the people being served. In addition, 11 percent called the Helpline’s Spanish-language line or one of four Asian-language lines, supporting the continued need for multilingual, multicultural services to help California’s families quit smoking. As shown in Exhibit 5, approximately 53 percent of Helpline callers in FY 09/10 were of ethnic minority backgrounds.

The Helpline is a collaborative effort with the California Department of Public Health and is operated by the University of California, San Diego.



### **IN THE WORKS: SIGNATURE PROGRAMS TARGETING YOUNG CHILDREN, PARENTS, AND TEACHERS**

In April 2010, the First 5 California State Commission granted approval to join a public-private partnership, including the Buffett Early Childhood Fund and the David and Lucile Packard Foundation, to establish Educare Centers in California. Educare is a nationwide network of state-of-the-art, evidence-based, full-day and full-year programs serving at-risk children ages 0 to 5 and their families. It is a nationally recognized model proven to significantly narrow the achievement gap for the most vulnerable children before they start school. First 5 California’s investment begins in FY 11/12 to support Educare program operations and evaluation. This funding commitment established the needed State public dollars for the partnership and will serve to leverage a \$40 million private capital campaign led by philanthropic and business partners.

Educare Centers are a force for systems and policy change nationwide. First 5 California is pleased to be a part of a consortium of partners committed to expanding this innovative model for high-quality early education.

In April 2010, the First 5 California State Commission also approved funding to support the development of the Comprehensive Approaches to Raising Educational Standards (CARES) Plus Program. CARES Plus is a statewide professional development program for early educators designed to improve the quality of early learning programs by focusing on increasing the quality, effectiveness, and retention of early educators. Its main objective is to improve both the quality of early learning programs and, ultimately, improve young children’s learning and developmental outcomes. A Request for Application for the CARES Plus Program was announced in November 2010 and First 5 California is enthusiastic about the future of this designated Signature Program.





# Chapter 3:

## How We Reach Young Children in Need

Pursuant to the California Children and Families Act, First 5 California uses its funding allocation to support administration, public education and outreach, research and evaluation, and statewide programs. This chapter provides an overview of the remaining services.

### RESULTS AND EVALUATION

The California Children and Families Act directs First 5 California to conduct:

[I]ndependent research, including the evaluation of any relevant programs, to identify the best standards and practices for optimal early childhood development, and establishing and monitoring demonstration projects.<sup>3</sup>

In the past year, First 5 California published four reports:

- *Best Practices to Promote Health Care Utilization in Healthy Kids Programs*
- *Healthy Kids Survey Results Report*
- *The Low Income Investment Fund (LIIF) Constructing Connections Final Evaluation Report*
- *Special Needs Project Final Program Evaluation Report*

Highlighted below is a description of each of these reports.

*Best Practices to Promote Health Care Utilization in Healthy Kids Programs* describes coalitions known as Children's Health Initiatives (CHIs), established to aid the third of uninsured children in California who do not qualify for an existing state or federal health insurance program. Between 2001 and 2007, over 82,000 children ages 0 to 5 received medical, dental, and vision insurance coverage in 26 counties by becoming members of Healthy Kids. Since 2005,

the CHIs have reported measures based on seven indicators: Well-Child, Well-Adolescent, Primary Care Provider, Dental, Well-Baby, Emergency Department Visits, and Combination 2 Immunizations. This report highlighted the Healthy Kids, Medi-Cal, and Healthy Families programs for comparison.

Results indicate that Healthy Kids improved over time in the following measures:

- Assuring Primary Care Provider visits for infants between 1 to 2 years old
- Improvement in Healthy Kids in Primary Care Provider visits for children 2 to 5 years old
- Improvement in access and utilization, over time, for all children ages 0 to 5
- Improvement in number of Well-Child visits
- Reduced visits to emergency rooms
- Fewer hospitalizations, and for shorter periods



<sup>3</sup> California Health and Safety Code, Section 130125

First 5 California partnered with The California Endowment to collect information on the impact of Health Access investments through the Healthy Kids program. *The Healthy Kids Survey Results Report* evaluated the impact of Healthy Kids on a range of outcomes that includes access to medical and dental care, medical home quality, health care utilization, health status and health-related quality of life, and developmental risk. Data were collected from three groups of children: wait-listed children, new enrollees, and established enrollees. Over 1,800 interviews were completed for children ages 0 to 5. Findings revealed that compared to new or wait-listed enrollees, established enrollees ages 0 to 5 in Healthy Kids were:

- 5% less likely to report forgone medical care in the past year
- 6% more likely to have an Emergency Department visit in the past year
- 8% less likely to report forgone dental care in the past year
- 10% more likely to have a regular source of health care
- 26% more likely to have a regular source of dental care

The results indicate that First 5 California's Health Access investments in the Healthy Kids program had noticeable influence on vulnerable children's access to and use of needed medical and dental care, as well as a reduction in episodes where children forego needed health services.

*The Low Income Investment Fund (LIIF) Constructing Connections Final Evaluation Report* reported progress toward promoting and supporting the development of quality childcare facilities and spaces in California. Constructing Connections increased the availability of quality childcare facilities by creating integrated, supportive, community-based resources and expertise in communities throughout California.

Since its inception in August 2004, Constructing Connections has supported a total of 12,617 new child care spaces, with an additional 2,785 child care spaces under development. When the spaces under development are complete, ABCD will have surpassed its overall goal of 15,000 spaces by the end of 2010.

In spring 2010, First 5 California released the *Special Needs Project Final Program Evaluation Report*. The purpose of this study was to evaluate the effectiveness of the First 5 California Special Needs Project (SNP) by measuring performance on the expected project outcomes. Since the SNP was a demonstration project, the primary intent of this evaluation was to document issues to consider for future program development as well as the program's effectiveness. This study has several components: quantitative analysis of data in the project database, a survey of School Readiness (SR) Program staff, a survey of families participating in the SNP, and two qualitative analyses of interviews with SNP staff.

Study findings indicate that the SNP successfully targeted its screening efforts for groups that are less likely to experience early identification of

**Throughout FY 09/10,  
First 5 California continued  
to raise awareness of early  
childhood development  
issues and their impact on  
children's future success.**



special needs—English learners, Latinos, and young children. The SNP sites screened children using a variety of measurement tools to identify potential developmental delays. Sites reported significant success in coordinating resources and creating new services for their individual communities. Families reported overwhelmingly positive experiences with the project and an impressive understanding of the importance of early screening.

### PUBLIC EDUCATION AND OUTREACH

Since the inception of Proposition 10, a critical mandate of First 5 California has been to educate California’s parents and caregivers about the important role they play in their child’s first five years. This is accomplished through a cohesive and wide-ranging public education campaign that includes advertising, public relations, and grassroots outreach.

During FY 09/10, First 5 California’s public education and outreach efforts played an especially vital role as millions of families experienced economic difficulties and required additional resources and support. In particular, First 5 California targeted low-income, hard-to-reach families, with an emphasis on reaching diverse ethnicities across the state. These communities and outreach methods were identified using the findings from the First 5 California-commissioned “Hard to Reach Populations Research Project” conducted by social marketing agency ProProse, as well as other studies.

With an emphasis on nutrition, literacy development, and tobacco cessation, First 5 California’s focus in FY 09/10 was to educate and empower families where they live, work, learn, and play. For instance, parents were encouraged to take a more active role in their child’s learning through a “Teach Me” themed multi-lingual campaign that reached families across the state through radio spots, billboard and bus shelter ads, and online banners. To extend the messages to TV viewers, First 5 California Executive Director Kris Perry



conducted monthly “First 5’s Top 5” segments on Sacramento’s NBC affiliate *KCRA*. First 5 California also enriched its long-standing partnership with *Univision*, the premier Spanish-language TV station in the country, by helping produce monthly segments with *KMEX Univision 34* in Los Angeles and delivering key health messages for affiliates throughout the state.

At the grassroots level, the First 5 California *Hands-On Health Express*—the State Commission’s touring interactive health exhibit—conducted two statewide tours. The *Express* provided free health screenings in select locations as well as nutrition information, tobacco cessation materials, and other resources to thousands of families across the state. Locations ranged from an American Indian reservation and several migrant camp communities, to First Lady Maria Shriver’s annual Women’s Conference, which drew at least 14,000 people.

A cornerstone of First 5 California's digital efforts in FY 09/10 was the launch of a new parenting microsite to help connect families and caregivers to free, trustworthy information and resources both online and in other daily activities. First 5 California further enriched its online presence through interactive banner ads and partnerships with popular parenting Web sites such as BabyCenter.com, the Web's top parenting network. Social networking platforms were also expanded during this timeframe, including Facebook, Twitter, YouTube, and MySpace Latino. By the end of the year, First 5 California's Twitter page was among the five most popular state government sites in California, and its Facebook page registered in the top 10 for the highest number of fans among California government agencies.

Important parenting information was also disseminated to media in English, Spanish, and Asian languages as part of First 5 California's County Technical Assistance Program, garnering an average of 100 stories per month. The success of this monthly outreach program was particularly significant in rural and other hard-to-reach communities that rely heavily on newspapers and radio stations for timely information.

Critical developments in early childhood issues also presented First 5 California with opportunities to aid families with young children, including a health-focused community event in October 2009 at the height of the H1N1 flu epidemic. With event partners ranging from Los Angeles County's top health official, Dr. Jonathan Fielding, to Southern California public broadcaster *KCET*, First 5 California joined forces with like-minded stakeholders and organizations to help inform hundreds of parents, caregivers and young children about the importance of getting a flu shot.

By providing California families with valuable resources and information, First 5 California built upon its reputation as a recognized leader in early childhood development issues and—most



importantly—helped improve the health and well-being of the state's youngest children so they enter school ready to achieve their greatest potential.

### **KIT FOR NEW PARENTS**

The *Kit for New Parents* has been one of First 5 California's most successful and highly visible flagship products. Since October 2001, First 5 California, through its outreach efforts and partnerships with First 5 county commissions, has distributed more than 3 million *Kits* at no cost to California residents.

The *Kit* is available in six languages including English, Spanish, Cantonese, Mandarin, Vietnamese, and Korean.

Thousands of California parents and caregivers have benefitted through the years from this valuable resource. Two independent evaluations provide important evidence documenting the positive outcomes from the *Kit*. The University of California, Berkeley (UCB) conducted one study; the University

of California, San Diego (UCSD) conducted the second study. According to the UCB study, published in *The American Journal of Public Health* in October 2003, knowledge gains among mothers who received the *Kit* were, on average, twice as high as those found in a national review of more intensive and expensive parenting education programs.

The *Kit*'s book "What to Do When Your Child Gets Sick" has also shown a cost benefit, according to a 4-year study entitled "A Breakthrough Health Literacy Program" by UCLA and the Johnson & Johnson Healthcare Institute. This study found that when parents referred to this *Kit* resource when treating common childhood ailments at home it resulted in:

- Reduced medical costs (a potential annual savings to a family of \$554)
- Significant decreases (58%) in emergency room visits and doctor/clinic visits (42%)
- Reductions in days lost at work for parents (42%) and days lost at school for children (29%)
- Increased parental confidence in health care decisions
- Quicker response to early signs of illness
- Better understanding of common childhood illnesses

UCB conducted a longitudinal study of English- and Spanish-speaking parents' use of and satisfaction with the *Kit*, and its impact on their learning and parenting practices. The study compared outcomes for parents who received the *Kit* with those of parents who did not. The evaluation also examined the implementation of the *Kit* in all 58 counties. Key findings include the following:

- 87% of mothers (including 95% of Spanish-speaking, and 82% of English-speaking mothers) reported using the *Kit* within 2 months after receiving it, and 53% of them reported sharing it with their partner.

- 94% of mothers reported that the *Kit* was helpful for a broad range of parenting issues.
- Mothers who received a *Kit* significantly improved their knowledge about health, safety, child development, and access to local resources, compared to mothers who did not receive a *Kit*.
- Knowledge gains were high among all mothers who received a *Kit* whether they received it prenatally, at a delivery hospital, or through a nurse home visit. Results were especially high among those who received it before the baby was born and among Spanish-speakers.
- Knowledge gains among mothers who received the *Kit* were, on average, twice as high as those found in a national review of more intensive and expensive parenting education programs. Currently, the *Kit* costs roughly \$22 per family served compared with hundreds or thousands of dollars for many other educational efforts.





- Parents appreciated having both video and printed parenting information in the *Kit* and having it available as a home reference to consult over time. One year after receiving the *Kit*, the majority of mothers reported using the *Kit* multiple times.
- Mothers who received a *Kit* also reported significantly improved parenting practices related to child development, infant feeding, early literacy, child safety and health care, and resource access compared with mothers who did not receive a *Kit*.
- In a survey of all 58 counties, the First 5 *Kit* coordinators unanimously reported that it was not only highly valuable to parents, but was also an important complementary resource for many of their other educational programs for parents of children ages 0 to 5.
- County providers reported that the *Kit* is an effective way for them to connect with hard-to-reach parents, including teen mothers, military parents, and those who speak a language other than English.



**The national Association of Maternal and Child Health Programs awarded First 5 California a best practices award for the *Kit* in 2009. The First 5 *Kit* model has been successfully adapted in four other states.**

- The UCB study was published in the *American Journal of Public Health*: Neuhauser, L, Constantine, WL, Constantine, NA, Sokal-Gutierrez, K, Obarski, SK, Clayton, L, Desai, M, Sumner, G, Syme, SL. (2007). Promoting Prenatal and Early Childhood Health: Evaluation of a Statewide Materials-Based Intervention for Parents. *American Journal of Public Health*, 97(10): 813-819.
- The national Association of Maternal and Child Health Programs awarded First 5 California a best practices award for the *Kit* in 2009. The First 5 *Kit* model in multiple languages has been successfully adapted in four other states.

UCSD conducted an additional study that found similarly positive outcomes on parents' use of and satisfaction with the *Kit*, and in the *Kit*'s positive impact on parents' learning and positive parenting practices.









# Chapter 4:

## How First 5 County Commissions Serve Families at the Local Level

In 2005, the First 5 California Children and Families Commission adopted guidelines requiring counties to report data in four areas: family functioning, child development, child health, and systems of care (see Appendix B). This chapter includes data summarizing how First 5 county commissions spent their local and First 5 California funds in relation to these four result areas.

### FAMILY FUNCTIONING

First 5 county commissions fund the following services to help improve family functioning:

- Adult education and literacy for parents
- *Kit for New Parents* distribution
- Family literacy
- General parenting education programs
- Behavioral, substance abuse, and other mental health services
- Community resource and referral services
- Provision of basic family needs (food, clothing and housing)
- Targeted intensive parent support services
- Other family functioning support services

In FY 09/10, First 5 provided services to improve family functioning to children ages 0 to 5 and to parents, guardians, primary caregivers, relatives, and providers.

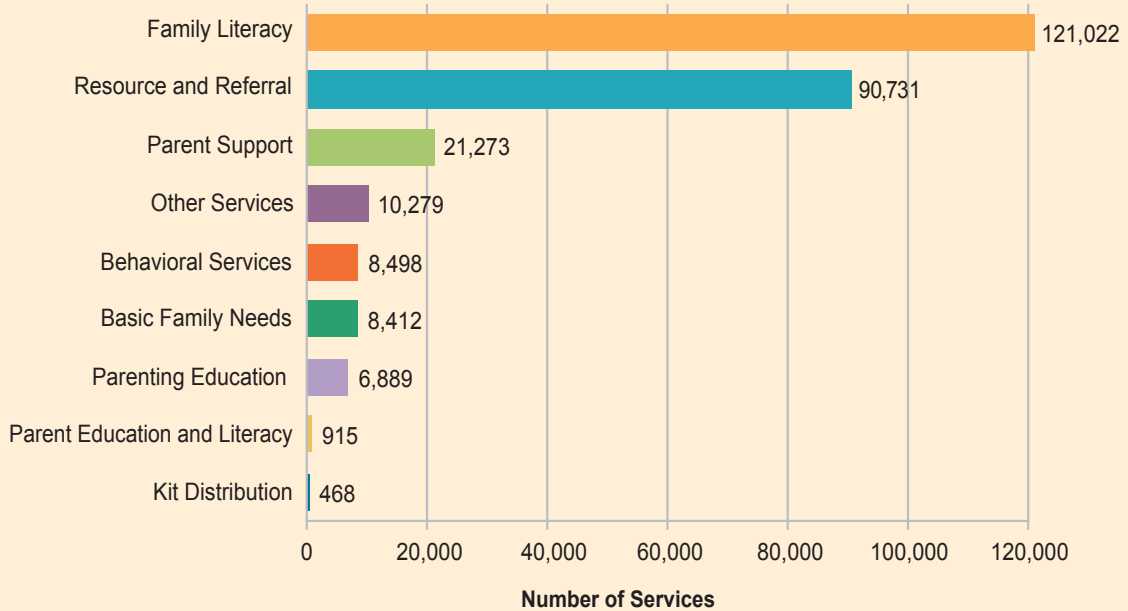
*In FY 09/10, First 5 provided services to improve family functioning to children ages 0 to 5 and to parents, guardians, primary caregivers, relatives, and providers.*

Exhibit 6 displays the number of children ages 0 to 5 served in each family functioning service category; Exhibit 7 reflects the same information for parents, guardians, primary caregivers, relatives, and providers.



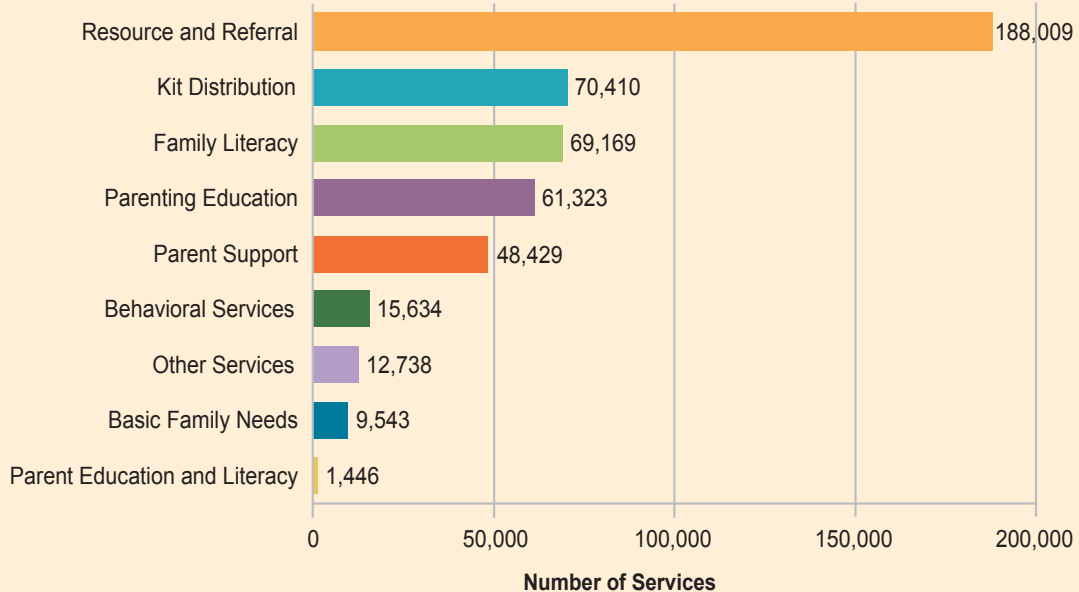


**EXHIBIT 6: Family Functioning—Number of Services Provided to Children Ages 0 to 5 by Service Category in FY 09/10**



Source: County Demographic Worksheet, November 2010

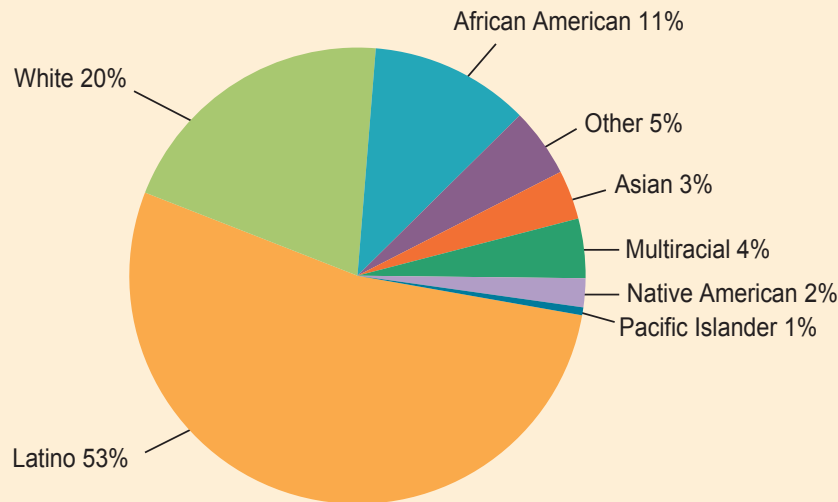
**EXHIBIT 7: Family Functioning—Number of Services Provided to Parents, Guardians, Primary Caregivers, Relatives, and Providers by Service Category in FY 09/10**



Some caregivers have received services from multiple programs; adding numbers across service categories may result in duplicate client counts.  
Source: County Demographic Worksheet, November 2010



### EXHIBIT 8: Family Functioning—Services Provided to Children by Ethnicity in FY 09/10



The percentages in this chart may not add to 100 due to rounding.  
Source: County Demographic Worksheet, November 2010

While children and adults from all ethnic groups received services, for those reporting an ethnicity, Latinos were the largest recipient group (see Exhibit 8). For children reporting a primary language, services were provided to Spanish speakers 35 percent of the time and English speakers 62 percent of the time.

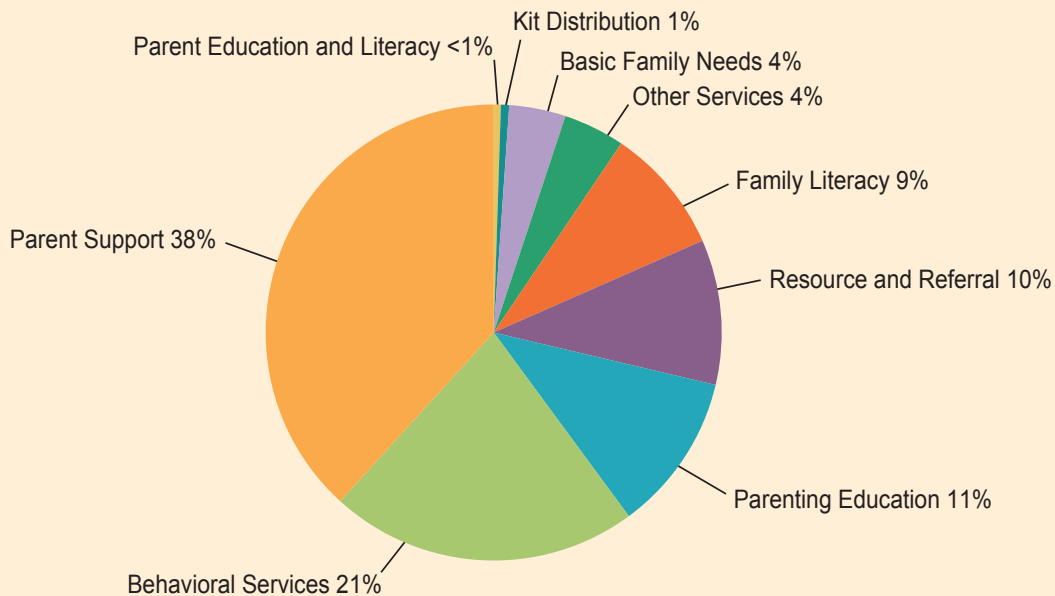
In FY 09/10, county commissions expended \$102 million to improve family functioning. Exhibit 9 shows the distribution of expenditures by service category. Schools and educational institutions, community-based agencies, government agencies, private institutions, and First 5 county commissions provided services to children and adults in order to improve family functioning. Exhibit 10 displays expenditures by provider type for each service category. Community-based

agencies received 59 percent of all family functioning expenditures in FY 09/10.

First 5 county commissions provide a wide array of programs designed to meet the unique needs of their communities. Each county commission evaluates its programs to determine whether they are making an impact on the population the county serves. For purposes of illustration, the family functioning evaluation results from First 5 Contra Costa and First 5 Calaveras are presented below.

First 5 Contra Costa has established five First 5 Family Centers in areas of the county that contain low-performing schools and/or a shortage of services. The Centers provide classes and activities to improve children's development and adults' parenting skills.

## EXHIBIT 9: Family Functioning—Distribution of Expenditures by Service Category in FY 09/10



The percentages in this chart may not add to 100 due to rounding.  
Source: County Revenue and Expenditure Summary, November 2010

During FY 09/10, 1,645 children and their families were served and 332 classes were offered.

First 5 Contra Costa conducted interviews with 251 families and found that:

- The quality of Center classes is very important to families.
- The quality classes are the primary draw in bringing families to the Centers.
- Families report improvements in child development, parenting knowledge, and social network building as a result of Center participation.

Results from a Parenting Strengths Survey indicated changes in the service population that appear to coincide with economic challenges faced locally

over the past two years. Survey analyses have identified opportunities for Centers to tailor services in future years to best serve the community.

First 5 Calaveras provided resource and referral services to parents through the Child Abuse Prevention program. The Life Skills Home Visits for Parents home visitation model is used by First 5 Calaveras to provide home-based parental skill and development services for parents involved with family court, child welfare, probation, law enforcement, or risk-related services. In this program, parents identify life skills areas for targeted training with a Marriage/Family Therapist Home Visitor who measures parent progress pre- and post-visit using the Life Skills Progression Home Visiting Assessment tool. Results indicate that 100 percent of participating parents advanced their Life Skills

## Chapter 4: How First 5 County Commissions Serve Families at the Local Level

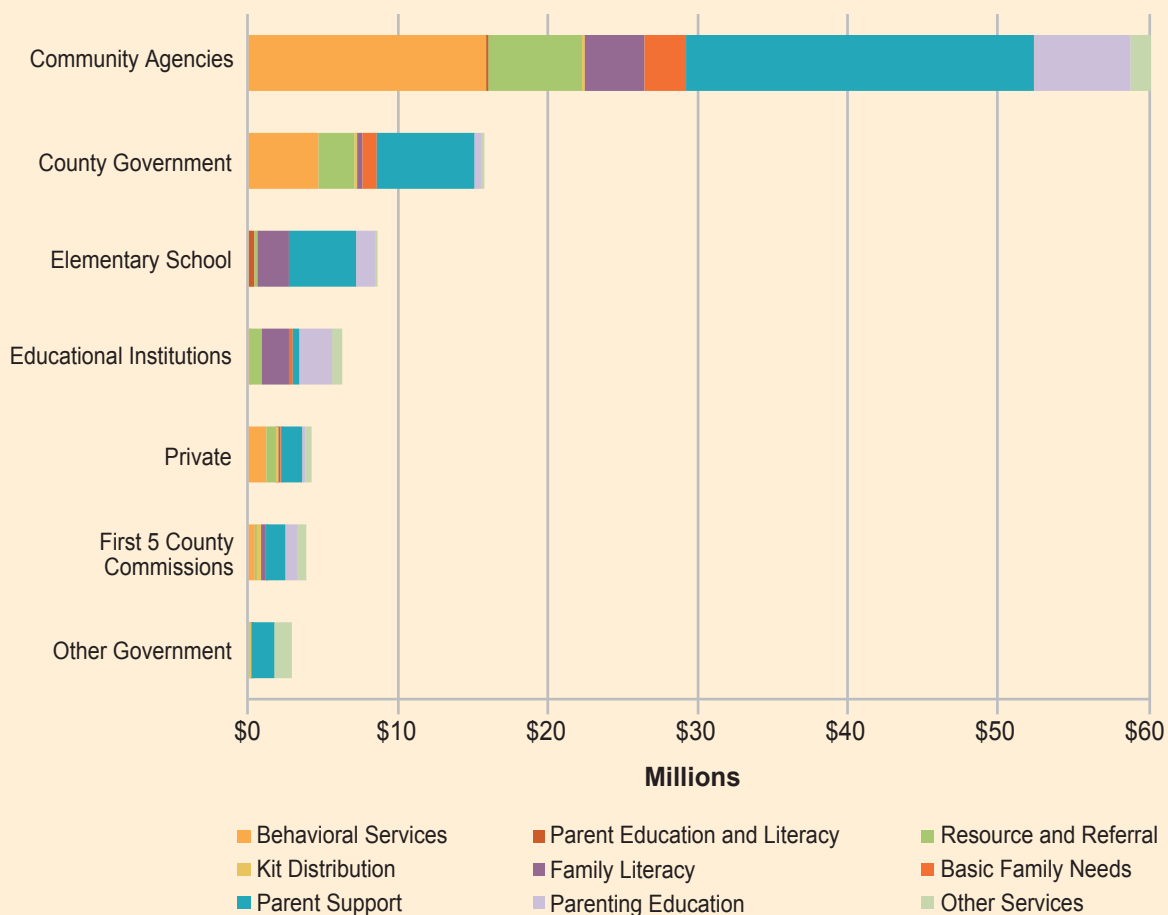
Progression scores in targeted areas, and 80 percent of parents participating in the home visits increased scores by more than 10 percent.

In addition, First 5 Calaveras provided Strengthening Families Parent Education Seminars where parents increase their understanding and access to resources for child development, health, relationship skills, and other general parent education issues. Families participating in the Strengthening Families Parent

Education sessions presented by Marriage/Family Therapists, Licensed Clinical Social Workers, and Doctors identified an increased understanding of:

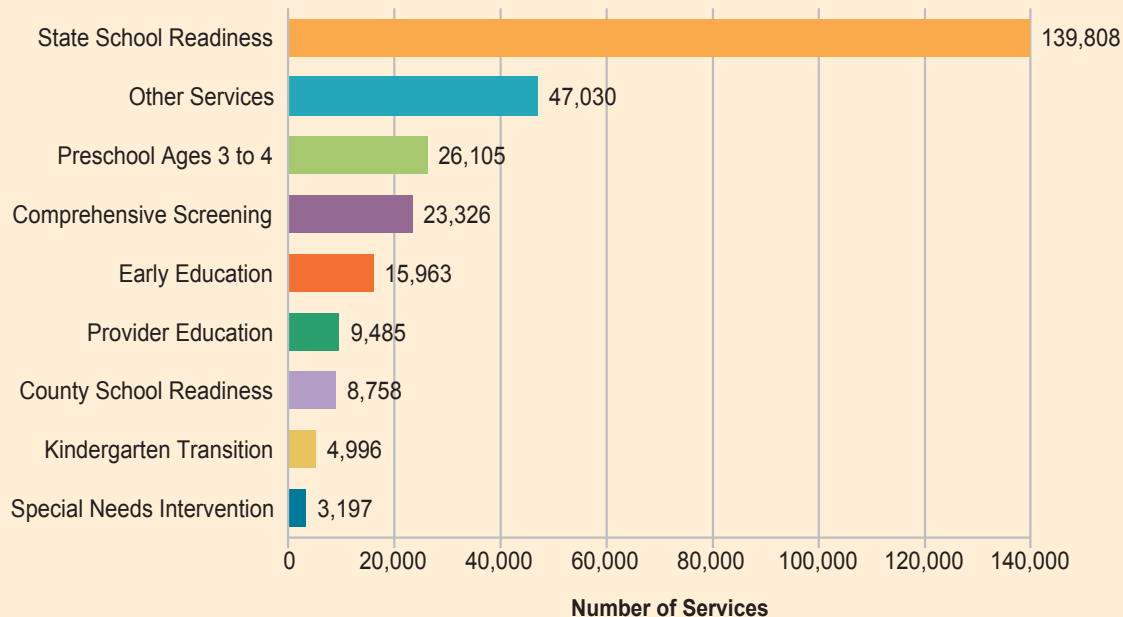
- Age and developmentally appropriate behavior
- Discipline
- Access to community and family resources
- Strategies for minimizing and responding to child and family stress

**EXHIBIT 10: Family Functioning—Expenditures by Provider and Service Category in FY 09/10**



Source: County Revenue and Expenditure Summary, November 2010

## EXHIBIT 11: Child Development—Number of Services Provided to Children Ages 0 to 5 by Service Category in FY 09/10



Source: County Demographic Worksheet, November 2010

### CHILD DEVELOPMENT

First 5 county commissions fund the following services to help improve child development:

- Preschool for three- and four-year olds
- State School Readiness programs and local match
- Local school readiness
- Early education programs for children (other than School Readiness and preschool for three- and four-year olds)
- Kindergarten transition services
- Comprehensive special needs screening and assessments
- Targeted intensive intervention for children identified with special needs
- Early education provider programs
- Other child development services

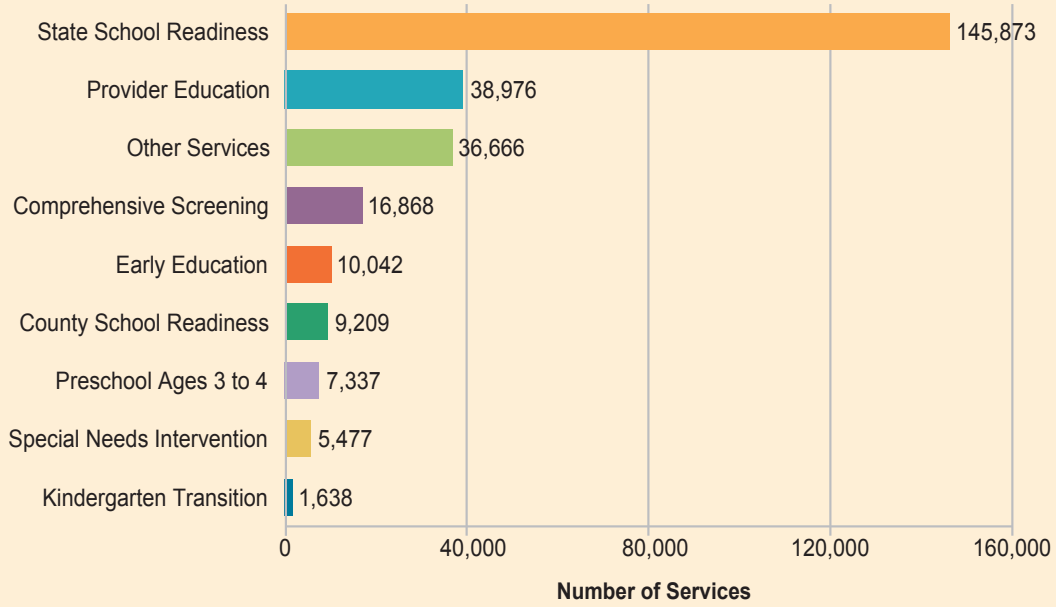
In FY 09/10, First 5 provided services to improve child development to children ages 0 to 5 and to parents, guardians, primary caregivers, relatives, and providers.

Exhibit 11 displays the number of children ages 0 to 5 served in each child development service category and Exhibit 12 reflects the same information for parents, guardians, primary caregivers, relatives, and providers.

While children and adults from all ethnic groups received these services, for those reporting an ethnicity, services were delivered to Latinos most often (see Exhibit 13). For those children reporting a primary language, 48 percent of services were delivered to those speaking Spanish and 47 percent to those speaking English.

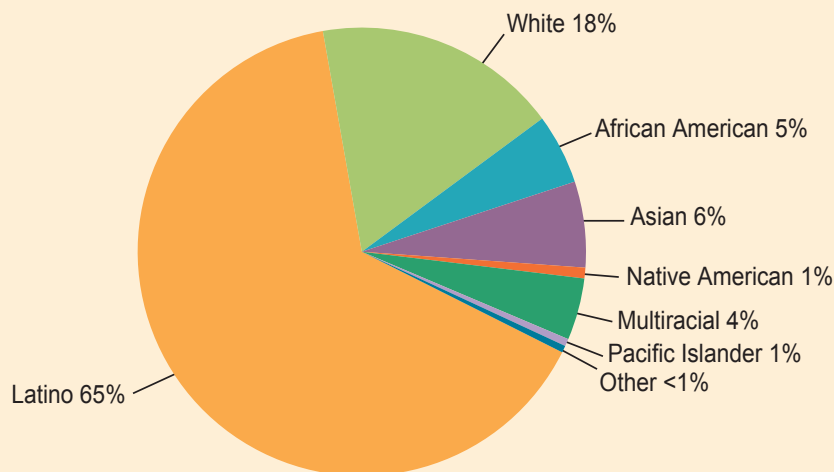


## EXHIBIT 12: Child Development—Number of Services Provided to Parents, Guardians, Primary Caregivers, Relatives, and Providers by Service Category in FY 09/10



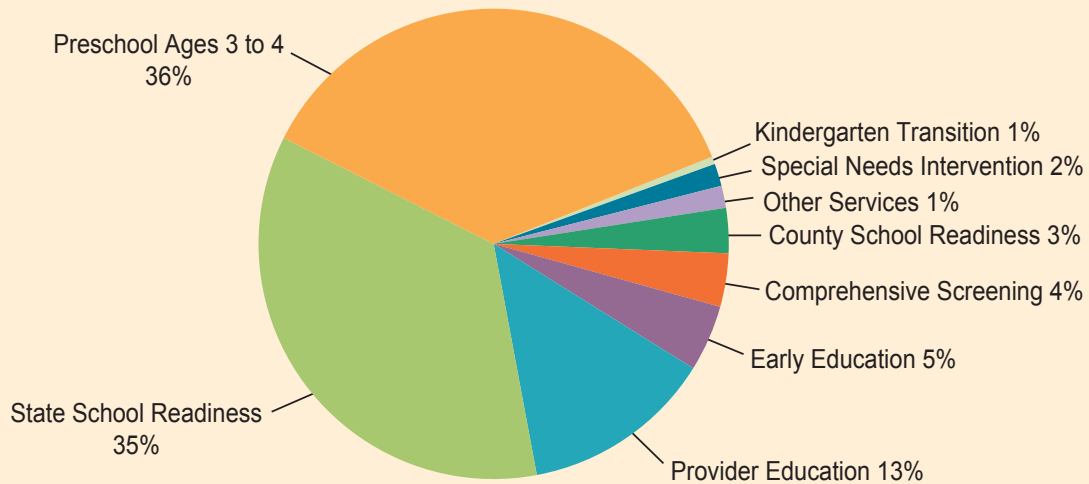
Source: County Demographic Worksheet, November 2010

## EXHIBIT 13: Child Development—Services Provided to Children by Ethnicity in FY 09/10



The percentages in this chart may not add to 100 due to rounding.  
Source: County Demographic Worksheet, November 2010

## EXHIBIT 14: Child Development—Distribution of Expenditures by Service Category in FY 09/10



The percentages in this chart may not add to 100 due to rounding.  
Source: County Revenue and Expenditure Summary, November 2010

In FY 09/10, county commissions expended \$265 million to improve child development. Exhibit 14 shows the distribution of expenditures by service category. Schools and educational institutions, community-based agencies, government agencies, private institutions, and First 5 county commissions provided services to children and adults in order to improve child development. Exhibit 15 shows provider expenditures by service category. In FY 09/10, community agencies received 50 percent of all expenditures to improve child development.

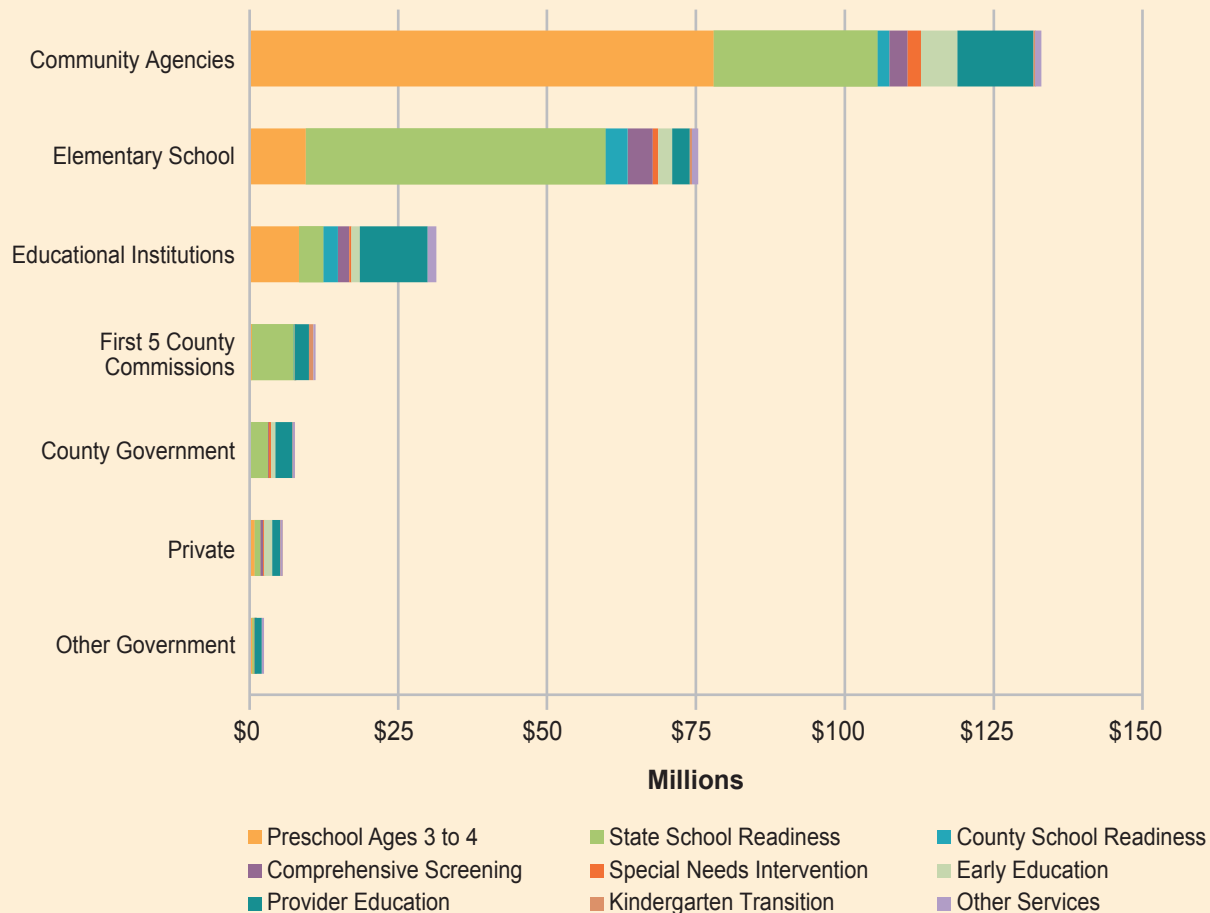
First 5 county commissions provide a wide array of programs designed to meet the unique needs of each county. Each county commission evaluates its programs to determine whether it is making an impact on the population the county serves. For purposes of illustration, the child development

evaluation results from First 5 LA and First 5 San Joaquin are presented below.

First 5 LA teamed with Los Angeles Universal Preschool (LAUP) to provide different practices and materials to support the development of Early Language Learners (ELLs). Teachers and providers support ELLs by engaging several times a day in general language support activities and using visual and verbal cues to support meaning. Additionally, more than half of LAUP classrooms had a working computer for children and recorded books or stories children could listen to in English.

A random sample of 80 center-based programs and 60 Family Care Centers (FCCs) from LAUP were observed through combinations of classroom observation scales (including the Classroom Assessment Scoring System, Early Language and Literacy Environment Tool, Bilingual Teacher

**EXHIBIT 15: Child Development—Expenditures by Provider and Service Category in FY 09/10**



Source: County Revenue and Expenditure Summary, November 2010

Behavior Rating Scale, Language Interaction Snapshot with End-of-Visit Ratings-Instructional Practice Questionnaire). Results showed that 79 percent of LAUP classrooms were in the medium-high to high quality range for space being arranged in a way that allows children to move around the room safely, and 74 percent had a medium-high to high rating for designing a layout that allows children to get materials on

their own. In comparison to a multi-state study of prekindergarten and the study of statewide early education programs, LAUP classrooms showed positive results, particularly in the dimensions of Instructional Support.

First 5 San Joaquin teamed with the Raising A Reader (RAR) book bag program to promote literacy skills in children ages 0 to 5. This literacy

service is offered via home visitation and preschool programs, and has been shown to increase the number of books in the home, increase adult-child interactions around literature, and increase the number of times a child is read to weekly. Each week, four age-appropriate and culturally sensitive books are introduced in the home. After 26 weeks of book bag rotations, participating children receive their own personalized book bag and families are then introduced to the public library to encourage them to continue book sharing.

The RAR program has shown tremendous success for the participants:

- Nearly 70% of parents reported reading to their child at least five days a week after participating in the program, compared with less than half (49%) at the start of the program.
- 81% had at least six age-appropriate books available to them after participating in RAR, whereas approximately two thirds (68%) reported six books prior to RAR.
- 70% of families reported having a library card at the end of the RAR book bag program, compared to just 56% at the beginning of the program.



***The Raising A Reader (RAR) book bag program to promote literacy skills in children ages 0 to 5, has shown tremendous success for the participants.***

## CHILD HEALTH

First 5 county commissions fund the following services to help improve children's health:

- Breastfeeding assistance
- Nutrition and fitness
- Other health education
- Health access
- Home visitations for newborns
- Safety education, and intentional and unintentional injury prevention
- Oral health
- Prenatal care
- Primary care services



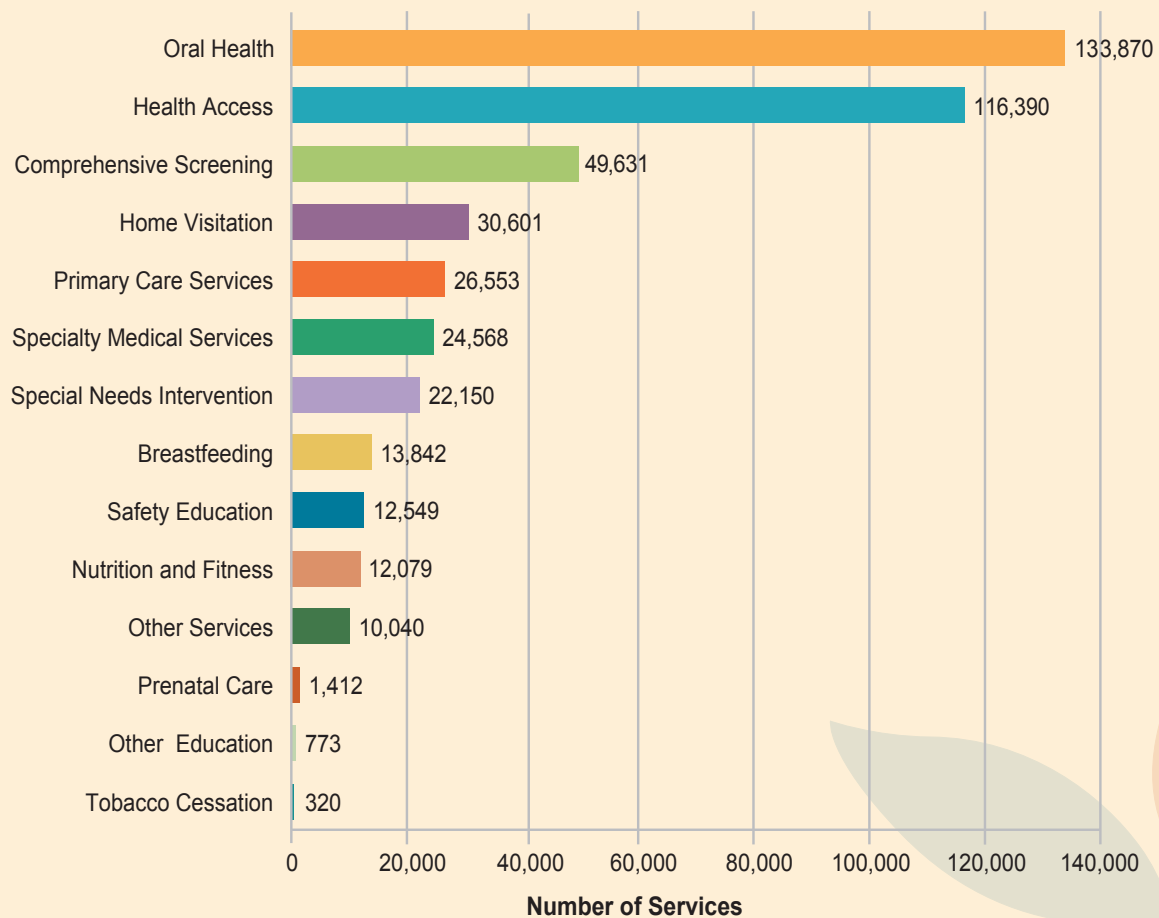
## Chapter 4: How First 5 County Commissions Serve Families at the Local Level

- Comprehensive health screening and assessments
- Targeted intensive intervention for children identified with special needs
- Specialty medical services
- Tobacco cessation education and treatment
- Other health services

In FY 09/10, First 5 provided services to improve child health to children ages 0 to 5 and to parents, guardians, primary caregivers, relatives, and providers.

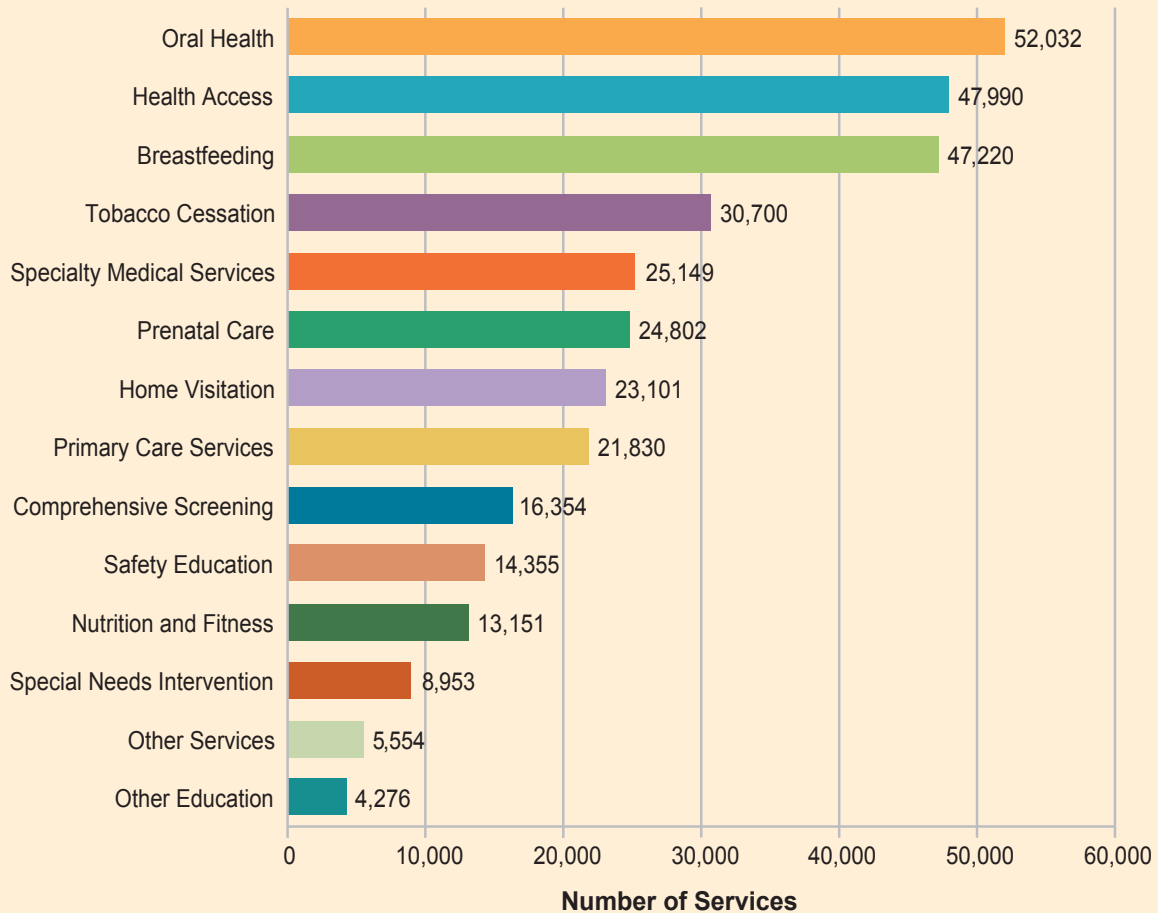
Exhibit 16 displays the number of services provided to children ages 0 to 5 served in each child health service category; Exhibit 17 reflects the same information for parents, guardians, primary caregivers, relatives, and providers.

**EXHIBIT 16: Child Health—Number of Services Provided to Children Ages 0 to 5 by Service Category in FY 09/10**



Some children may receive services from multiple programs; adding numbers across service categories may result in duplicate client counts.  
Source: County Demographic Worksheet, November 2010

**EXHIBIT 17: Child Health—Number of Services Provided to Parents, Guardians, Primary Caregivers, Relatives, and Providers by Service Category in FY 09/10**

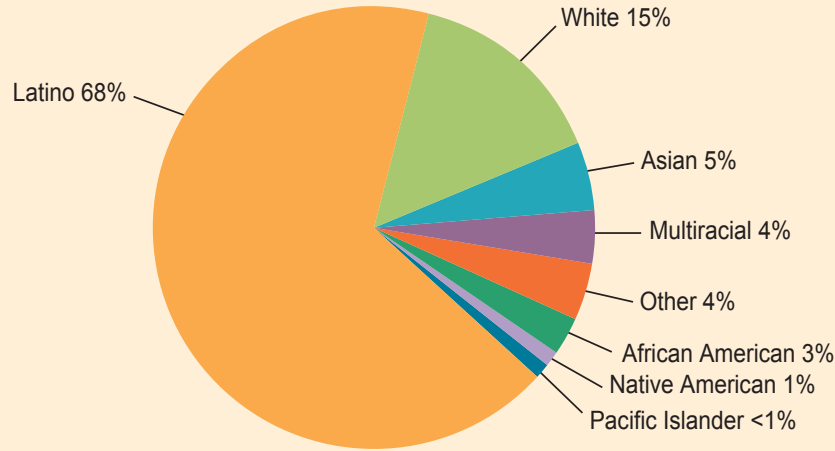


Some children may receive services from multiple programs; adding numbers across service categories may result in duplicate client counts.  
Source: County Demographic Worksheet, November 2010

While children and adults from all ethnic groups received services, for those reporting an ethnicity, services were most commonly provided to Latinos (see Exhibit 18). For children who reported a primary language, services were delivered to those speaking Spanish 51 percent of the time and English 45 percent of the time.

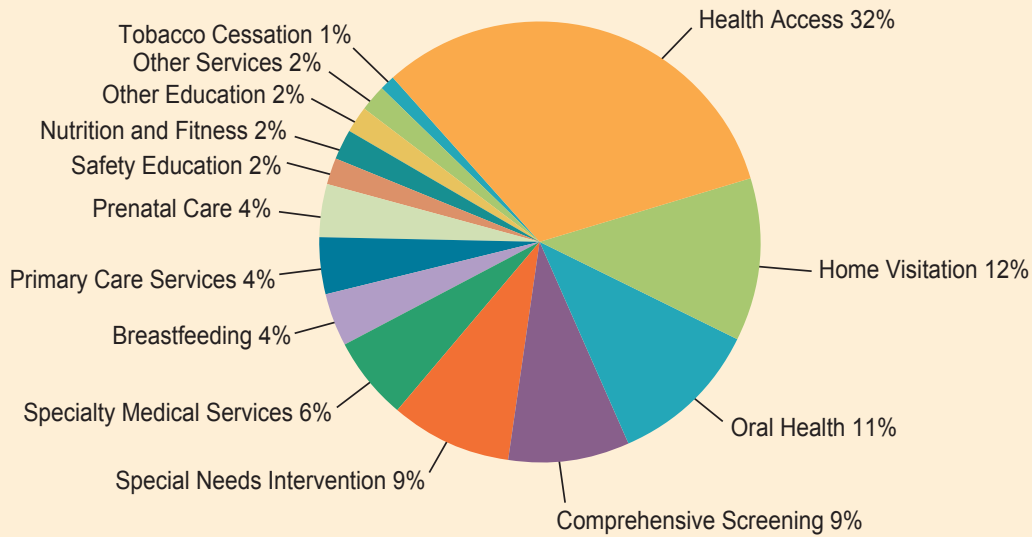
In FY 09/10, county commissions expended \$126 million to improve child health. Exhibit 19 shows the distribution of expenditures by service category. Schools and educational institutions, community-based agencies, government agencies, private institutions, and First 5 county commissions provided services to children and adults in

**EXHIBIT 18: Child Health—Services Provided to Children by Ethnicity in FY 09/10**



The percentages in this chart may not add to 100 due to rounding.  
 Source: County Demographic Worksheet, November 2010

**EXHIBIT 19: Child Health—Distribution of Expenditures by Service Category in FY 09/10**



The percentages in this chart may not add to 100 due to rounding.  
 Source: County Revenue and Expenditure Summary, November 2010

order to improve child development. Exhibit 20 shows provider expenditures by service category. Community-based agencies accounted for 45 percent of all expenditures to improve child health in FY 09/10.

First 5 county commissions provide a wide array of programs designed to meet the unique needs of each county. Each county commission evaluates its programs to determine whether they are making an impact on the population the county serves. For purposes of illustration, the child health evaluation results from First 5 Riverside and First 5 Marin are presented below.

First 5 Riverside found that programs providing comprehensive breastfeeding services increased the exclusively breastfeeding rate among new mothers and their babies. Based on data from 18,490 new mothers eligible to exclusively breastfeed:

- 14,600 (a 35% increase from the previous fiscal year) mothers were exclusively breastfeeding at discharge from Riverside County hospitals.
- 6,227 (a 21% increase from the previous fiscal year) mothers were exclusively breastfeeding at 6-week follow-up.
- 186 exclusively breastfeeding mothers received 3 home visits (at 1-week, 3-week and 6-week intervals).
- 161 mothers met with a lactation consultant and had an education session with a lactation specialist before being discharged from the hospital.

Additionally, 24 free-of-charge prenatal breastfeeding classes were held for expectant and new families.

First 5 Riverside funded three hospitals in the county to achieve the evidence-based Baby Friendly Hospital Initiative (BFHI) designation. This designation is awarded to hospitals and

*First 5 county  
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wide array of programs  
designed to meet  
the unique needs of  
each county.*

birthing centers that offer an optimal level of care for infant feeding, which includes giving mothers the information, confidence, and skills needed to successfully initiate and continue breastfeeding their babies or feeding formula safely. Data from these hospitals indicate that out of the 6,110 total births in the three hospitals:

- 81% of infants were placed in direct skin-to-skin contact with their mothers for at least 1 hour during the first 3 hours after birth.
- 75% of healthy infants were allowed to stay together “rooming in” with their mothers during the hospital stay (with less than four hours of separation during the first 24 hour period).

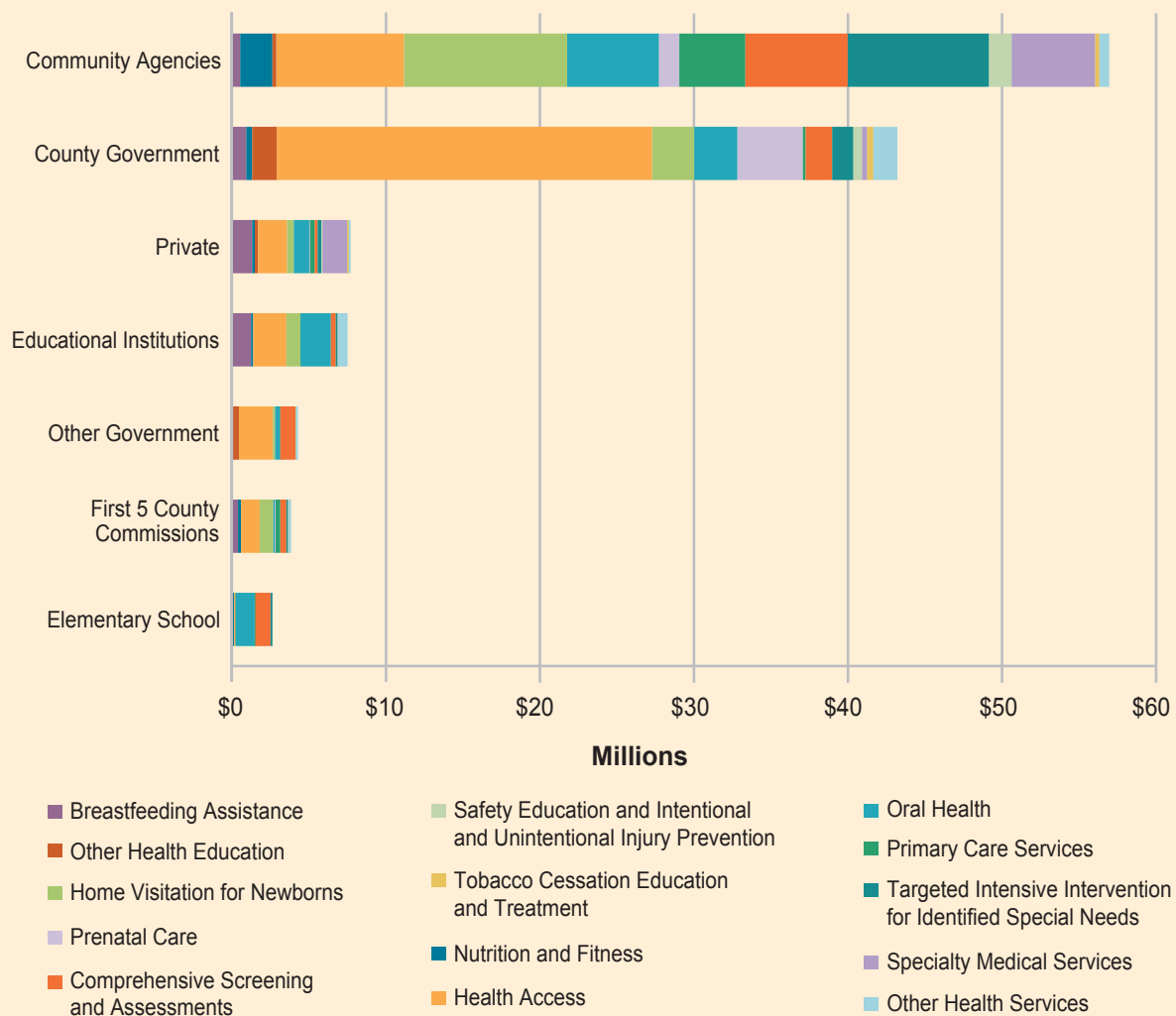
As a primary partner in Marin County’s Children’s Health Initiative (CHI), First 5 Marin funds the countywide health insurance outreach, enrollment and utilization effort, including positions in Marin County’s Department of Health & Human Services. These positions have created a “one-stop” enrollment structure for children and their families, making the system far more effective and efficient. In addition, First 5 Marin

## Chapter 4: How First 5 County Commissions Serve Families at the Local Level

funds healthcare premiums for low-income children ages 0 to 5 who do not qualify for existing publicly-funded programs. In FY 09/10, First 5 Marin supported the following:

- Facilitation support for appropriate health insurance programs to 1,873 low income children not eligible for Medi-Cal.
- Phone or in-person assistance on health insurance program eligibility to an average of 246 families per month.
- Healthcare application assistance for 1,928 children.

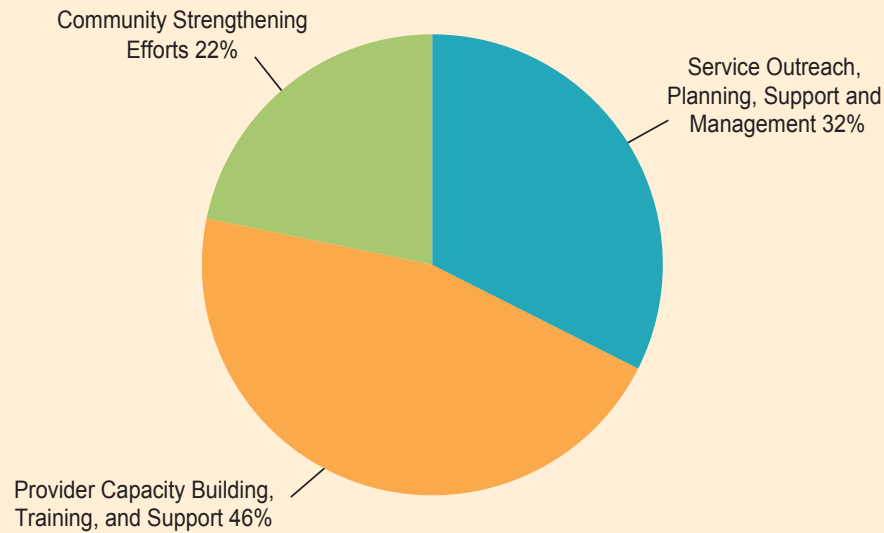
**EXHIBIT 20: Child Health—Expenditures by Provider and Service Category in FY 09/10**



Source: County Revenue and Expenditure Summary, November 2010



## EXHIBIT 21: Systems of Care—Expenditures by Service Category in FY 09/10



Source: County Demographic Worksheet, November 2010

### SYSTEMS OF CARE

First 5 county commissions fund the following services to help improve systems of care:

- Provider capacity building (training and support)
- Community strengthening efforts (awareness and education events)
- Service outreach (planning, support, and management)

Systems of care improvements are designed to impact family functioning, child development, and health. Therefore, First 5 county commissions do not report systems of care service data. In FY 09/10, county commissions expended \$62 million to improve systems of care. Exhibit 21 displays how county commissions dispersed funds by service

category. Schools and educational institutions, community-based agencies, government agencies, private institutions, and First 5 county commissions provided services to children and adults in order to improve systems of care.

First 5 county commissions provide a wide array of programs designed to meet the unique needs of their communities. Each county commission evaluates its programs to determine impact on the population the county serves. For purposes of illustration, the systems of care evaluation results from First 5 San Joaquin and First 5 Shasta are presented below.

First 5 San Joaquin implemented the First 5 San Joaquin Breastfeeding Initiative which was created to increase the county's breastfeeding rates. The impact of this program influences bonding and attachment between mother and child. Systems

affected include Improved Family Functioning, Improved Child Development, and Improved Child Health results areas.

All six of the hospitals in San Joaquin County with maternity departments are participating in the First 5 San Joaquin Breastfeeding Initiative. Each of the six hospitals has made marked improvements to their breastfeeding policies and procedures and is closer to becoming Baby Friendly certified:

- Skin-to-skin policies and practices have been implemented countywide.
- Four hospitals have adopted a policy that they will not routinely supplement breastfeeding infants.
- Staff at each of the six hospitals have received at least 32 hours of Baby Friendly training.
- The Breastfeeding Initiative has successfully fostered collaborative relationships at many different levels.

*Each county commission evaluates its programs to determine impact on the population the county serves.*

First 5 Shasta implemented a community awareness campaign and a provider/parent training program to decrease early childhood exposure to media and media violence. Sixty-four presentations were offered reaching 765 providers, community leaders, and parents. This broad-reaching campaign included billboards, posters, radio ads, kiosks, and movie screen displays. Of community members who had seen the campaign:

- 92% reported the material increased their awareness of the importance of choosing age-appropriate child programs.
- 95% confirmed knowledge of the need to limit child screen time.
- Provider/parent training participants demonstrated significant increases in knowledge of how brain development is impacted by media and violence.
- Participants increased how often they limited what their child watched and increased their active roles in watching with their children.

Participants also reported significant increases in engaging in alternative activities with their children other than relying on screen time.

The collective work of First 5 California and the First 5 county commissions provides a wide array of services to children ages 0 to 5 most in need. First 5 California and county commission evaluation results show that these services improve family functioning, child development, child health, and systems of care. In future years we will build upon the solid foundation our current programs provide to ensure we achieve our mission to be recognized as California's unequivocal voice for all children ages 0 to 5 to ensure greater equity in their readiness for school.



## Appendix A: First 5 California Matching Funds Programs

School Readiness Programs (Listed counties have one School Readiness program unless otherwise indicated)		Power of Preschool (PoP) Demonstration Projects	Health Access Demonstration Projects
Alameda	Orange (13)	Los Angeles	Colusa
Amador	Plumas	Merced	El Dorado
Alpine	Riverside (7)	San Diego	Fresno
Butte	Sacramento	San Francisco	Merced
Calaveras	San Benito	San Joaquin	Napa
Colusa	San Bernardino (11)	Santa Clara	Sacramento
Contra Costa (3)	San Diego (7)	Ventura	San Bernardino
Del Norte	San Francisco	Yolo	San Luis Obispo
El Dorado	San Joaquin (8)		Santa Barbara
Fresno (10)	San Luis Obispo		Solano
Glenn	San Mateo		Sonoma
Humboldt	Santa Barbara (5)		Tulare
Imperial	Santa Clara		Yolo
Inyo	Santa Cruz		Yuba
Kern (12)	Shasta		
Kings	Sierra		
Lake	Siskiyou		
Lassen	Solano (4)		
Los Angeles (43)	Sonoma		
Madera	Stanislaus (7)		
Marin	Sutter		
Mariposa	Tehama		
Mendocino	Trinity		
Merced (7)	Tulare		
Modoc	Tuolumne		
Mono	Ventura (4)		
Monterey	Yolo (2)		
Napa	Yuba		
Nevada			

## Appendix B: First 5 California Result Areas and Services

### RESULT 1: IMPROVED FAMILY FUNCTIONING

Providing parents, families, and communities with relevant, timely, and culturally appropriate information, education, services, and support.

#### SERVICES:

- **Behavioral, Substance Abuse, and Other Mental Health Services**  
Behavioral and mental health services, substance abuse services, treatment, and counseling and/or therapy for children or adult family members, including play, parent-child interaction approaches, child-abuse counseling, and family therapy.
- **Adult Education and Literacy for Parents**  
Education, training, ESL classes, literacy, and/or a General Equivalence Diploma (GED).
- **Community Resource and Referral**  
Programs that provide referrals or service information about various community resources, such as medical facilities, counseling programs, family resource centers, and other supports for families; for instance, 211 services or community resource reporting.
- **Distribution of Kit for New Parents**  
Programs that provide and/or augment the First 5 California *Kit for New Parents* to new and expectant parents (e.g., a hospital visitation program to new mothers).
- **Family Literacy Programs**  
Programs designed to increase the amount of reading that parents do with their children. Programs may include educating parents about the benefits of reading or looking through books (e.g., Even Start, Reach Out and Read, Raising a Reader).
- **Provision of Basic Family Needs (e.g., Food, Clothing, Housing)**  
Meals, groceries, or clothing provided through programs such as food pantries and store certificates, emergency funding or household goods acquisition assistance, temporary or permanent housing acquisition assistance, and related case management.
- **Targeted Intensive Parent Support Services**  
Intensive and issue specific support services to families at risk including home visitation, long-term classes or groups, or other intensive support for parents or expectant parents to increase knowledge and skills related to parenting and improved family functioning.
- **General Parenting Education Programs**  
Short-term, non-intensive instruction on general positive parenting topics.

### RESULT 2: IMPROVED CHILD DEVELOPMENT

Increasing the quality of and access to early learning and education for young children.

#### SERVICES:

- **Preschool for 3- and 4-year-olds**  
Preschool for 3- and 4-year-olds distinct from a comprehensive school readiness program. Includes funding pre-existing spaces or spaces in programs with the intensity and quality similar to Power of Preschool criteria.
- **State School Readiness Programs and Local Match**  
State and local match-funded services under the State Commission's School Readiness Initiative, designed to improve children's readiness for school.
- **Local School Readiness (Mirror Programs)**  
County commission-based School Readiness programs funded solely by county commission dollars that are "mirror" programs to the State School Readiness Program.
- **Comprehensive Developmental Screening and Assessment**  
Screening and diagnostic services including behavioral, mental health, developmental, and physical health. This includes screening programs that measure cognitive/intellectual functioning, language and communication skills, social and emotional development, and perceptual/motor functioning to identify children who show developmental delays. These services determine the nature and extent of a problem and recommend a course of treatment and care.
- **Targeted Intensive Intervention for Children Identified with Special Needs**  
Programs that identify children with special needs and provide intensive and specific services to those children. Children with disabilities and other special needs refers to those children who are between birth and 5 years of age and meet the definition of "special needs."
- **Early Education Programs for Children (other than School Readiness and Preschool for 3- and 4-year olds)**  
Quality intensive educational activities and experiences for children intended to foster social, emotional, and intellectual growth, and prepare them for further formal learning.
- **Early Education Provider Programs**  
Training and educational services, supports, and funding to improve the quality of care or facilities. This includes Comprehensive Approaches to Raising Educational Standards, facility grants, and supply grants to providers.
- **Kindergarten Transition Services**  
Classes, home visits, camps, tours, or other activities designed to help children be more comfortable and accustomed to the learning environment, expectations, activities, and school personnel when they enter kindergarten. This category also includes individual child learning plans and school-wide transition plans.



## RESULT 3: IMPROVED CHILD HEALTH

Promoting optimal health through identification, treatment, and elimination of the risks that threaten children's health and lead to developmental delays and disabilities in young children.

### SERVICES:

- **Breastfeeding Assistance**  
Education related to the benefits of breastfeeding, including classes to women, families, employers, and the community, as well as breastfeeding support services to women.
- **Nutrition and Fitness**  
Information and services about nutrition, fitness, and obesity prevention for the 0 to 5 population; this includes programs to teach the basic principles of healthy eating, food handling and preparation, and the prevention of illness.
- **Other Health Education**  
Information and services about health other than nutrition, fitness, and obesity prevention.
- **Health Access**  
Health insurance, premium support, and enrollment assistance programs that ensure use of health services, strategies to retain health insurance, and insurance premium payments or subsidies.
- **Home Visitation for Newborns and Their Families**  
Home visitation services to promote and monitor development of children ages 0 to 2.
- **Oral Health**  
Dental screenings, checkups, cleanings, preventive and acute treatments, and education on preventive care. May include training for providers as well as for children and families.
- **Prenatal Care**  
Education, treatment, and counseling to promote healthy pregnancies and deliveries.
- **Primary Care Services (e.g., Immunizations, Well Child Checkups)**  
Medical care services to children ages 0 to 5 including preventive, diagnostic, and therapeutic care by a licensed healthcare professional.
- **Comprehensive Screening and Assessment**  
Screening and diagnostic services including behavioral, mental health, developmental, and physical health. Includes screening programs that measure cognitive/intellectual functioning, language and communication skills, social and emotional development, and perceptual/motor functioning to identify children who show developmental delays. These services determine the nature and extent of a problem and recommend a course of treatment and care.
- **Targeted Intensive Intervention for Children Identified with Special Needs**  
Programs that identify children with special needs and provide intensive and specific services to those children. Children with disabilities and other special needs refers to those children who are between birth and 5 years of age and meet the definition of "special needs."
- **Safety Education and Intentional and Unintentional Injury Prevention**  
Programs that disseminate information about child passenger and car safety, fire safety, water safety, home safety (childproofing), and the dangers of shaking babies. Includes education on when and how to dial 911, domestic violence prevention, and intentional injury prevention. Referrals to community resources that focus on these issues may also be included.
- **Specialty Medical Services**  
Emergency and critical care services for children ages 0 to 5 who require specialty care or have an illness or injury that requires immediate, short-term intervention or other specialty care services including care for chronic childhood illnesses. This category also includes follow-up on medical conditions or concerns identified from health/developmental screenings, such as autism, vision, or asthma.
- **Tobacco Cessation Education and Treatment**  
Education on tobacco-related issues and abstinence support for participants using tobacco products. Includes providing information on reducing young children's exposure to tobacco smoke.

## RESULT 4: IMPROVED SYSTEMS OF CARE

Implementing integrated, comprehensive, inclusive, and culturally and linguistically appropriate services to achieve improvements in one or more of the other Focus Areas.

### SERVICES:

- **Service Outreach, Planning, Support, and Management**  
General planning and coordination activities, program monitoring, technical assistance and support, support for interagency collaboration, support for services to diverse populations, contract administration, program database management, and program support and oversight activities.
- **Provider Capacity Building, Training, and Support**  
Provider training and support to improve their capacity to participate and deliver services to families with young children. Includes business planning, grant writing workshops, sustainability workshops, and large community conferences or forums.
- **Community Strengthening Efforts**  
Community awareness and educational events on a specific early childhood topic or promoting broad awareness of the importance of early childhood development.

## Appendix C: California State Controller Annual Report

The following section is presented as a re-printing  
of the California State Controller Annual Report  
to the First 5 California Commission

**ANNUAL REPORT TO THE  
FIRST 5 CALIFORNIA COMMISSION**

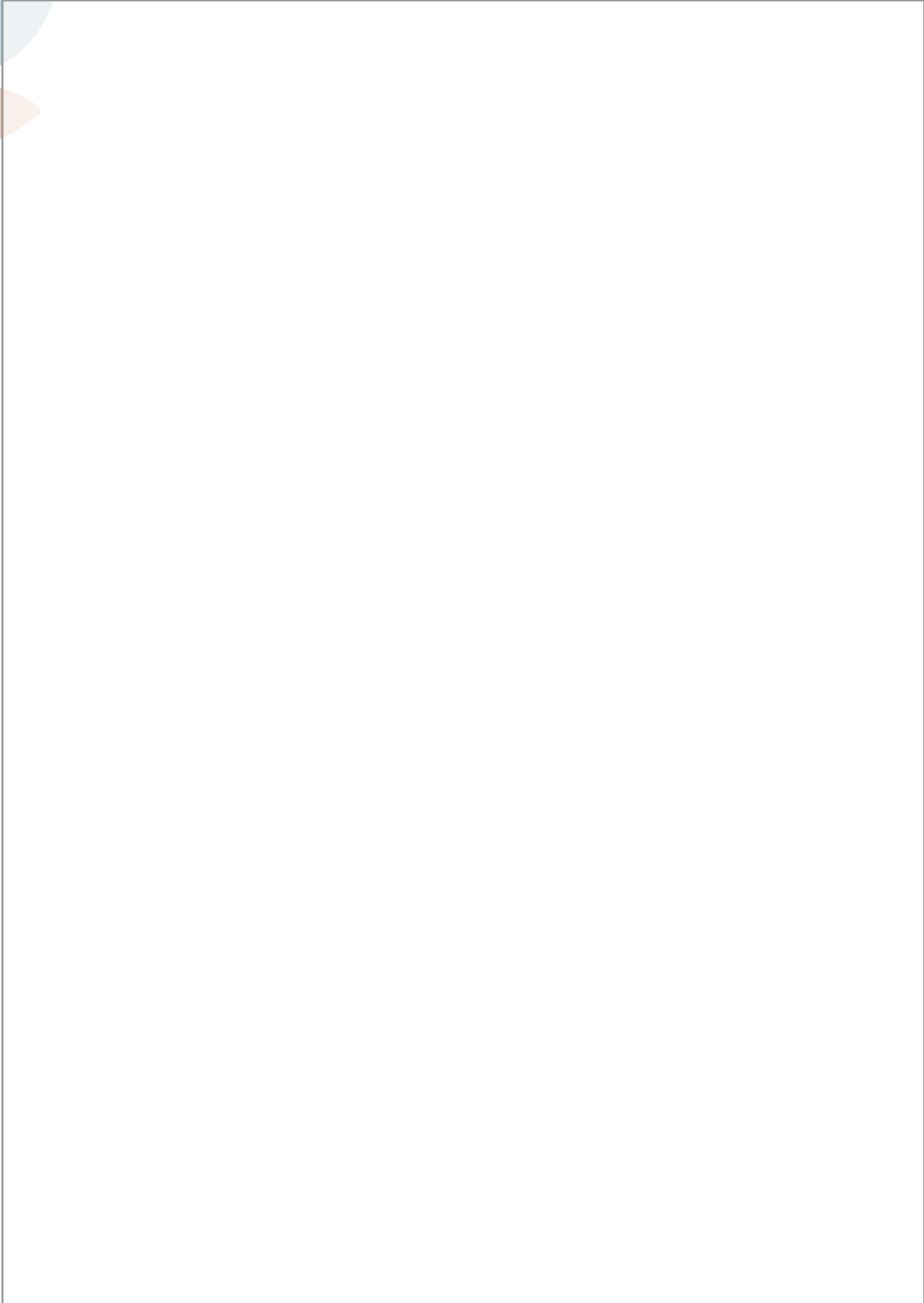
**RESULTS OF AUDIT OVERSIGHT  
OF LOCAL COMMISSIONS**

*For the Period of July 1, 2008, through June 30, 2009*



**JOHN CHIANG**  
California State Controller

October 2010







**JOHN CHIANG**  
**California State Controller**

October 27, 2010

Kris Perry, Executive Director  
First 5 California  
2389 Gateway Oaks Drive, Suite 260  
Sacramento, CA 95833

Dear Ms. Perry:

I am pleased to submit our annual report to the First 5 California Commission. Our report summarizes the results of our review of the independent audits of the local First 5 county commissions (local commissions) for Fiscal Year (FY) 2008-09.

This is the third report submitted in accordance with Senate Bill 35 (Chapter 243, Statutes of 2005), which mandated an expanded audit of every county commission funded by the California Children and Families Program Act of 1998. Each commission was required to adopt a range of policies, including contracting and procurement, administrative expenditure limits, conflict of interest, staff compensation, and long-range financial planning. Each local commission is required to have an annual independent audit that is reviewed by the State Controller's Office (SCO).

Our review focused on the local commissions' compliance with program requirements (as reported by their independent auditors) specified in the Health and Safety Code. We also verified the independent auditors' compliance with audit standards and the expanded audit guidelines when performing the local commission audits. As required by statute, our annual report summarizes the results of our review and assesses the audit reports issued by the independent auditors. In addition, the audit findings and audit finding follow-up section of our report presents information related to the findings from each local commission's independent audit report. Lastly, because we have completed three review cycles, our report contains the comparative statistics from the results of our desk reviews of the independent audits for FY 2008-09, FY 2007-08, and FY 2006-07, where applicable.


I hope our report will be useful to you in assessing the local commissions' activities and compiling your annual report to the Legislature. Please direct any comments regarding the content of the report to Casandra Moore-Hudnall, Chief, Financial Audits Bureau, at (916) 322-4846.

Sincerely,

*Original signed by*

**JOHN HIBER**  
Chief Operating Officer

300 Capitol Mall, Suite 1850, Sacramento, CA 95814 ♦ P.O. Box 942850, Sacramento, CA 94250 ♦ (916) 445-2636 ♦ Fax: (916) 322-4404  
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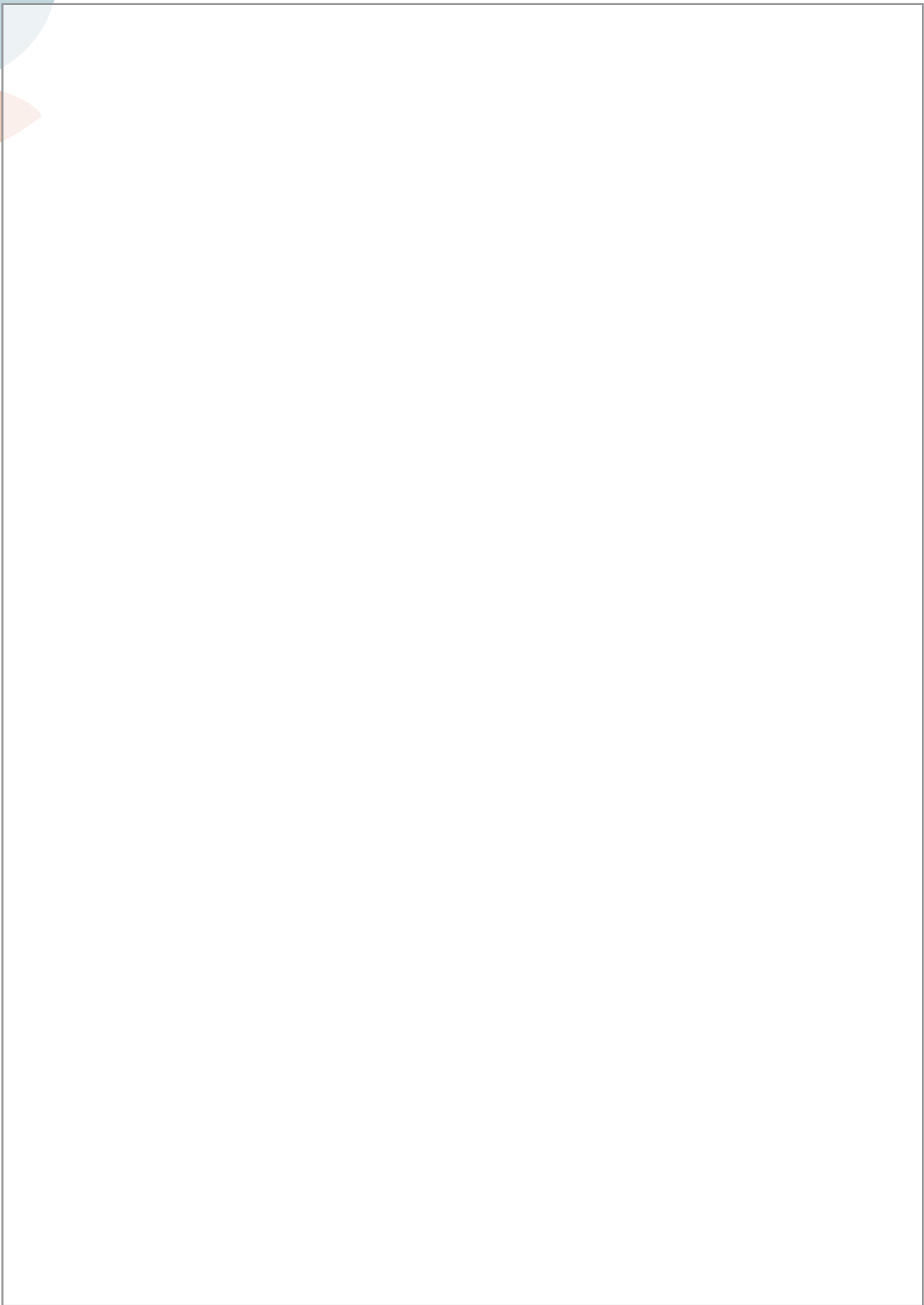


Kris Perry, Executive Director  
August 27, 2010  
Page 2

cc: Terry Miller, Chief  
    Administrative Services Division  
    First 5 California Commission  
Joseph Munso, Commission Chair  
    First 5 California Commission  
Molly Munger, Commission Vice-Chair  
    First 5 California Commission  
Conway Collis, Commissioner  
    First 5 California Commission  
Maria Minon, M.D., Commissioner  
    First 5 California Commission  
Patrick Duterte, Commissioner  
    First 5 California Commission  
Casey McKeever, Commissioner  
    First 5 California Commission  
Joyce Iseri, Commissioner  
    First 5 California Commission  
S. Kimberly Belshé, Ex Officio Member  
    Health and Human Services Agency  
    First 5 California Commission  
Bonnie Reiss, Ex Officio Member  
    Office of the Secretary for Education  
    First 5 California Commission

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## Executive Summary

The California Children and Families Act (Act) was created in 1998 by the passage of Proposition 10. The Act was amended in 2005, giving the State Controller's Office (SCO) oversight responsibility for audits of the local First 5 county commission (local commissions). The objective of the amendment was to provide the state commission with independently verified fiscal and state compliance information obtained from audits performed in accordance with applicable standards and requirements.

The State Controller's oversight responsibility includes providing audit guidelines, reviewing local commissions' annual audit reports for compliance with applicable audit standards and guidelines, and following up on findings contained in the audit reports to ensure compliance with policies and practices specified in the Health and Safety Code. As needed, the SCO approves and makes substantive changes to the audit guide after consultation with an audit guide committee composed of representatives from the First 5 state commission and local commissions.

This is the third report submitted in accordance with the expanded audit statutes chaptered into law in 2005; therefore, this report includes comparative results. In summary, our report contains the following key observations of local commission audits:

- Of the 58 independent audit reports, 35 (60%) local commissions complied with audit guide requirements and/or audit standards, an increase compared to prior reporting periods. In Fiscal Year (FY) 2007-08, 43% of the independent audit reports submitted complied with all standards and/or requirements, while in FY 2006-07 only 28% were in compliance.
- Of the 58 counties, 35 (60%) submitted the required audit reports by the November 1st deadline. In comparison, 67% of the audits in FY 2007-08 and 57% of the audits in FY 2006-07 were submitted by the deadline.
- Sixteen local commission audit reports contained a total of 27 audit findings categorized as either "internal control" (18) or "state compliance" (9). In comparison, 14 of the FY 2007-08 audit reports contained 24 audit findings (19 internal control and 5 state compliance). In FY 2006-07, 17 of the audit reports contained 30 audit findings (17 internal control and 13 state compliance).

For FY 2008-09 the SCO did not recommend withholding funding allocations for any commission for failure to correct (or provide a viable plan to correct) audit findings.

# Introduction

## Overview

The State Controller's Office (SCO), Division of Audits, is responsible for performing the oversight activities for the independent audits of local commission administering the First 5 program authorized by California Children and Families Act. Oversight activities consist of:

- Developing an audit guide based on the Health and Safety Code, audit standards generally accepted in the United States, and government auditing standards;
- Verifying (via desk reviews/analysis) that the independent audit reports contracted for by the local First 5 commissions (local commissions) comply with auditing standards and the audit guide; and
- Verifying local commission compliance with policies and practices (specified in Health and Safety Code) by reviewing and following up on audit findings reported in the independent audits.

Health and Safety Code section 130151 (added by Chapter 243, Statutes of 2005) requires that the SCO issue guidelines for annual expanded audits<sup>1</sup> that require independent auditors to review local commission compliance with policies and practices related to:

- Contracting and Procurement
- Administrative Costs
- Conflict of Interest
- County Ordinance
- Long-Range Financial Plans
- Financial Condition of Commission
- Program Evaluation
- Salaries and Benefit Policies

In addition, Health and Safety Code section 130151 also requires that the SCO:

- Determine, within six months of the state or county commission's response pursuant to subdivision 130151(d), whether the county commission has successfully implemented corrective action in response to the findings contained in its audit report;
- Recommend that the state commission withhold the funding allocation for local commissions unable to provide the SCO with a viable plan to correct identified audit findings; and
- Submit to the First 5 Commission, by November 1 of each year, a report summarizing the results of the reviews of the local commissions' audits for the preceding reporting cycle.

<sup>1</sup> *Standards and Procedures for Audits of California Counties Participating in the First 5 California (Children and Families) Program*

**Background*****First 5 Program***

The California Children and Families Act of 1998 (Act) authorized the First 5 program. The Act required that the First 5 program be funded by surtaxes imposed on the sale and distribution of cigarettes and tobacco products. The Act further required that the funds be deposited into the California Children and Families Trust Fund, for the implementation of comprehensive early childhood and smoking-prevention programs..

***SCO Oversight***

The SCO's oversight and reporting requirements (Health and Safety Code section 130151) were added by Senate Bill (SB) 35 (Chapter 243, Statutes of 2005). Prior to SB 35, existing law already included a fiscal/audit reporting component; therefore, the addition of SCO oversight was considered to be an expansion of those requirements. Consequently, the local First 5 county commissions (local commission) refer to the SCO audit guidelines as "expanded" audit guidelines.

The SCO, along with a committee—composed of representatives from the First 5 state commission, local commissions, the Government Finance Officers Association, county auditor-controllers, and independent auditors—developed the initial audit guide based on statutory requirements enumerated in Health and Safety Code section 130151(b). The guide is updated as needed by a committee composed of representatives from the SCO, the First 5 state commission, and the local commissions. Health and Safety Code section 130151(b) states that the scope of the independent audits will address the commissions' policies and practices related to:

- Contracting and Procurement
- Administrative Costs
- Conflict of Interest
- County Ordinance
- Long-Range Financial Plans
- Financial Condition of Commission
- Program Evaluation
- Salaries and Benefit Policies

***Independent Audit Report Requirements***

The Health and Safety Code requires the auditors for the local commissions, or the local commissions themselves<sup>2</sup>, to submit an independent audit report to both the SCO and the First 5 California commission each year by November 1. The fiscal year ended June 30, 2009, was the third year that the 58 local First 5 county commissions were subject to the SCO expanded audit guidelines; the resulting audit reports were due by November 1, 2009.

<sup>2</sup> Submission deadline is based on two statutory codes, one requiring the submission and one specifying the deadline. Specifically:

- Health and Safety Code section 130151(c) requires that "the auditor for the state commission or the county commission shall submit each audit report, upon completion, simultaneously to both the Controller and to the state commission or applicable county commission."
- Health and Safety Code section 130150(a) requires that ". . . on or before November 1 of each year, each county commission shall submit its audit and report to the state commission. . . ."

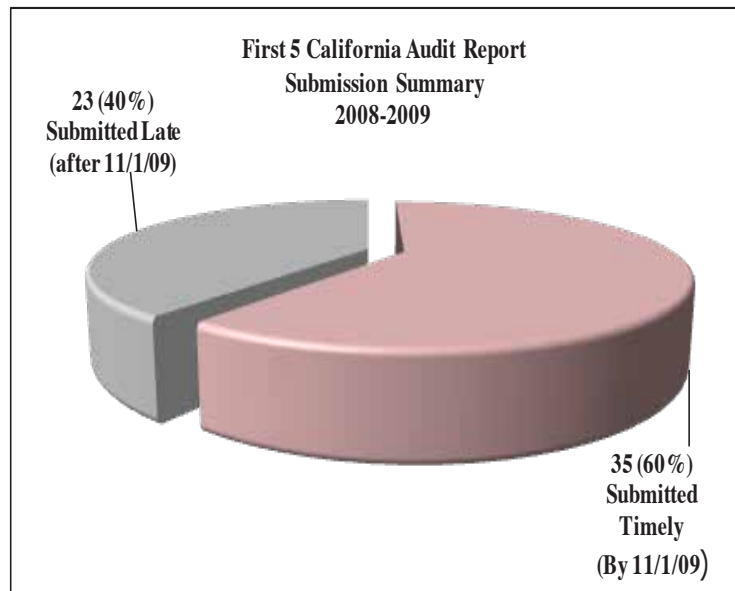
## Results of Oversight Activities

### Audit Report Submissions

Audit reports for the preceding fiscal year must be filed with the SCO by November 1 of the current fiscal year. As noted in Figure 1 for FY 2008-09, 35 of 58 (60%) local commission audit reports were submitted by the required deadline. Another 9 (16%) were submitted within 30 days of the deadline, while the remaining 14 audit reports (24%) were submitted more than 30 days late. Local commissions provided a variety of reasons for reports that were submitted more than 30 days late, including:

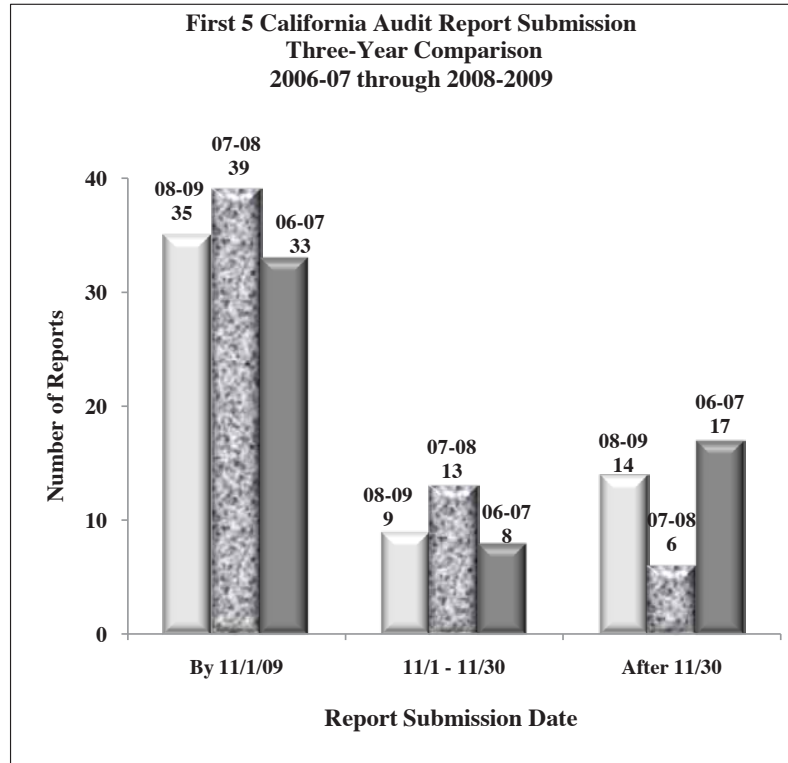
- Reports were mailed only to the State Commission;
- Auditors assumed that the local commission would mail the report to the SCO; and
- Local commission was unable to/did not present the audit report to the governing commission for approval before the submission deadline.

Figure 1



Compared with the FY 2007-08 audit review cycle, in the 2008-09 there was a decrease in audit reports submitted on time. There was also an increase in the number of FY 2008-09 reports submitted more than 30 days late when compared to the FY 2007-08 audit review cycle. See Figure 2 for comparative data on report submissions.

**Figure 2**



**Audit Review  
and Certification  
Process**

In accordance with Health and Safety Code section 130151, the SCO reviews and certifies (certification cycle) the annual independent audit reports issued by the auditors for each local First 5 county commission (local commission) for compliance with applicable auditing standards and audit guidelines set out in the *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act – First 5* (audit guide).

To facilitate the consistent review and certification of each audit, the SCO created a comprehensive desk review checklist that details and categorizes the program requirements specified in the audit guide. The desk review checklist also includes the required components of an audit based on both auditing standards generally accepted in the United States and government auditing standards. Based on the SCO desk reviews, any errors found in the independent auditors’ reports (Audit Report Deficiencies) are summarized in this report.



At the end of the FY 2007-08 audit report certification cycle, the SCO issued an advisory (dated September 10, 2009) to all independent auditors for the local commissions. The advisory provided information to assist independent auditors in performing audits of the First 5 program in accordance with audit standards and the audit guide. The advisory, which applies to audit years beginning with FY 2008-09, provided clarification of the:

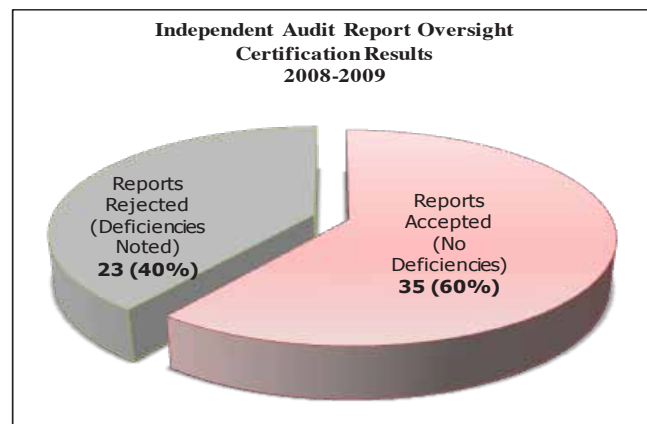
- Applicability of certain audit requirements (public disclosure wording in auditor opinions);
- Need for independence related disclosures required by government audit standards when the audit is performed by the county auditor-controller;
- Need for audit reports to comply with the Governmental Accounting Standards Board (GASB) Statement 34 reporting model;
- Disclosure required when local commission exercises the option not to provide a Management Discussion and Analysis to introduce their financial statements; and
- Request to submit commission agendas, minutes and approved corrective action plans needed for SCO to perform audit finding follow-up and verify public discussion of audit findings.

The advisory also made the independent auditors aware of miscellaneous quality control issues (i.e., incorrect report titles, typographical errors in opinions and financial statements, report reproduction issues).

## Audit Report Deficiencies

Based on our desk reviews of the FY 2008-09 county commission audits, we found that 23 of the 58 independent audits (see Figure 3) contained a total of 33 deficiencies. The SCO notified the independent auditor and local commission in writing that the audit report required correction(s). The written rejection letters identified the deficiency/deficiencies noted and the criteria used to determine non-compliance.

**Figure 3**

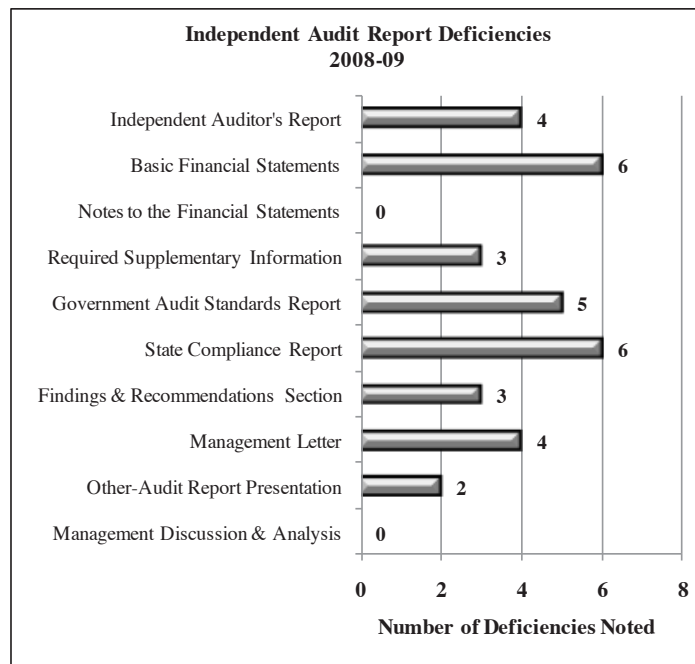


**Notable Audit Report Deficiencies**

As detailed in Figure 4, during this review and certification cycle the SCO noted 33 deficiencies in the 23 rejected reports. The audit report deficiencies related to basic financial statements, state compliance reports, the findings and recommendations section of the audit, and the audit report presentation. The most notable issues were:

- Basic Financial Statements that did not contain all elements required by generally accepted accounting principles;
- State compliance reports that were not in the required format, did not include the correct number of required procedures, and/or had changes to the number of required procedures without the necessary explanation;
- Findings and recommendations that were missing the required element(s) of an audit finding;
- Independent auditor’s report did not contain disclosures and/or references required by auditing standards;
- The Government Audit Standards Report was not in the appropriate format and/or did not contain all required references and disclosures; and
- Audit reports that reference management letters that were not submitted to the SCO with the annual audit report.

**Figure 4**



See Appendix A-1 for detailed category breakdown.

**Comparison of Audit Report Deficiencies by Fiscal Year – Improvement Noted**

Fewer audits (23) had deficiencies in FY 2008-09 when compared to prior years (33 in FY 2007-08 and 42 in FY 2006-07). There was also a decrease in the total number of identified deficiencies in the audit reports. During this review cycle, the SCO noted that only two of the independent audits had one or more audit report deficiencies identified in FY 2007-08 that had not been corrected in the FY 2008-09 audit report. In comparison, six of the FY 2007-08 audits had deficiencies identified in FY 2006-07.

Figure 5 provides a breakdown of audit deficiencies (by category) for the current and previous reporting periods. Appendix A-2 provides additional detail for each category for the three audit years.

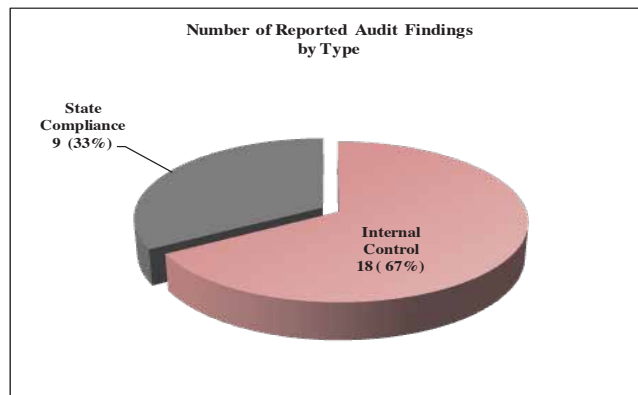
**Figure 4  
Independent Audit Report Deficiencies - Comparison by Fiscal Year**

Category	Number of Occurrences		
	2008-09	2007-08	2006-07
Independent Auditor's Report	4	3	9
Basic Financial Statements	6	2	1
Notes to the Financial Statements	0	1	8
Required Supplementary Information	3	1	0
Government Audit Standards Report	5	31	13
State Compliance Report	6	14	25
Findings & Recommendations Section	3	14	3
Management Letter	4	2	2
Other-Audit Report Presentation	2	7	0
Management Discussion & Analysis	0	0	3
<b>Total</b>	<b>33</b>	<b>75</b>	<b>64</b>

**Findings Reported by the Independent Auditors**

The independent auditors for sixteen of the local commissions reported a total of 27 audit findings (see Finding 6) categorized as either “internal control” or “state compliance.”

**Figure 6**



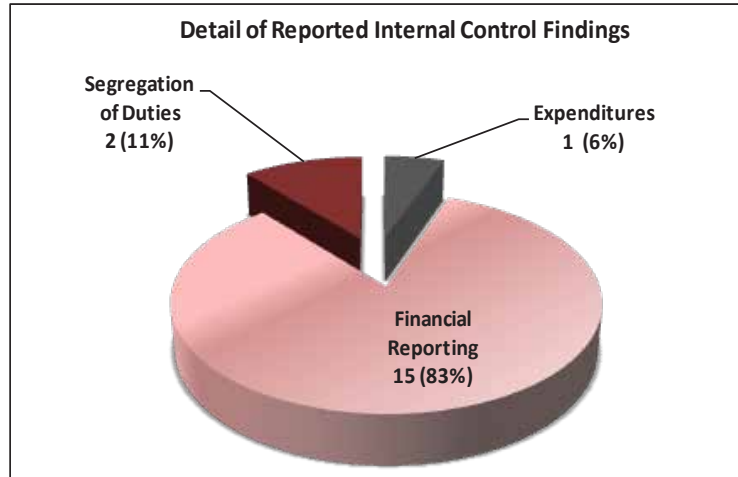
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***Breakdown of  
Reported Internal  
Control Findings***

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Three functional areas are represented in the 18 internal control findings reported for FY 2008-09, as summarized in Figure 7.

**Figure 7**



The majority of the internal control findings (15 of the 18) are in the financial reporting category. Examining the breakdown further, the majority of the financial reporting findings included in the audit reports relate to a situation that is not readily corrected in one reporting cycle. Specifically, 10 of the 15 financial reporting findings address the commissions' reliance on their independent auditors to draft financial statements and/or the accompanying notes to the financial statements.

Statement on Auditing Standards 1, Section AU 110.03, states that the financial statements and the accompanying notes are the responsibility of management. Therefore, when the independent auditor must prepare (or significantly assist in preparing) these documents, it must be reported as an internal control finding under auditing standards applicable to FY 2008-09. However, several local commissions do not have the resources and/or do not find it feasible to hire staff to prepare the financial statements and/or accompanying notes. Based on our audit finding follow-up visits, our review of corrective action plans included in Board/Commission meeting minutes, and the local commissions' responses to audit findings, we noted that:

- Six of the 10 local commissions have determined that it is cost-prohibitive to hire staff or retain a public accountant to prepare the financial statements and accompanying notes;
- Two of the 10 local commissions are working with, or reviewing the feasibility of working with, their county's auditor controller to assist in preparing the financial statements and/or accompanying notes;
- One local commission is using a disclosure checklist to prepare the accompanying notes; and

- One local commission was unable to work with its auditor controller and continues to research other options.

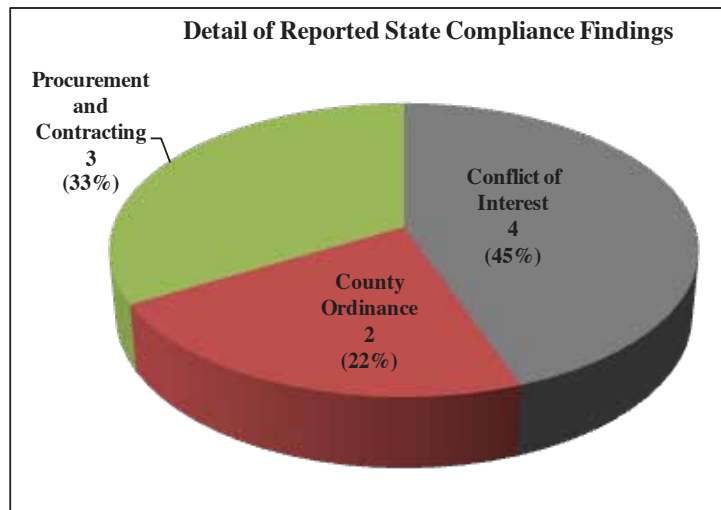
Based on our review of local commissions’ board minutes, all ten local commissions kept their governing commissions apprised of their attempts find corrective action or implement mitigating procedures. This issue is not easily remedied due to a number of factors including limited resources/options on the part of smaller or remotely located local commissions. As a result, all six of the findings determined to have carried forward from FY 2007-08 (repeat findings) were related to local commissions relying on their auditors to prepare the financial statements and accompanying notes.

In comparison, 17 internal control findings were reported for fiscal year FY 2006-07, but they were in ten functional areas. The FY 2007-08 audits contained a total of 19 findings (in four functional areas). Taking into account the issue previously discussed, the local commissions appear to be correcting audit findings within a reasonable timeframe.

Three functional areas are represented in the nine state compliance findings as summarized below and in Figure 8:

***Breakdown of Reported State Compliance Findings***

**Figure 8**



- Commissioners failed to file their Form 700, Statement of Economic Interest, within the required time limits (Conflict of Interest);
- The commission’s policy did not include referenced attachments (Conflict of Interest);
- Commissioners did not abstain from voting on operational contract(s) in instances where they had interest in subcontractors (Conflict of Interest);



- A Commissioner did not receive required training in a timely manner (Conflict of Interest);
- A Commission left a position vacant due to restructuring (County Ordinance);
- A Commission did not follow provisions of its ordinance related to removal of a commissioner who misses consecutive meetings (County Ordinance); and
- Commissions failed to properly use competitive bid process and retain documentation, and/or made excessive advance payments to contractors (Procurement and Contracting).

### **SCO Follow-up of Reported Audit Findings**

In addition to our desk review of the local commission audits, we are required to follow up on findings reported in the local commission audits. Specifically, Health and Safety Code section 130151(e) requires:

Within six months of the state or county commission's response pursuant to subdivision (d), the Controller shall determine whether a county commission has successfully corrected its practices in response to the findings contained in the audit report. The Controller may, after that determination, recommend to the state commission to withhold the allocation of money that the county commission would otherwise receive from the California Children and Families Trust Fund until the Controller determines that the county commission has a viable plan and the ability to correct the practices identified in the audit.

The commissions, in accordance with Health and Safety Code section 130151(d) and *Government Auditing Standards* paragraph 5.32, are required to submit a response to findings in their audit reports. Audit finding follow-up is accomplished in three ways.

1. Review of evidence that the local commission have adopted a corrective action plan and/or resolved any findings. Evidence reviewed includes (board/commission minutes, signed board/commission meeting agenda item documentation, board/commission approved audit finding responses).
2. Review of the subsequent fiscal year financial and compliance audit. Audit standards require that the independent auditor or auditor-controller determine the status of previously reported audit findings.
3. On-site visits by SCO staff to local commissions with audit findings.

For the FY 2008-09 audit review cycle, the SCO performed follow-up visits onsite or via teleconference for six of the 16 local commissions whose independent audits contained findings. Our on-site visits resulted in a review of a total of 14 of the FY 2008-09 findings, representing 52% of the total reported findings for all 16 local commissions. In addition, we followed up on two FY 2007-08 findings during the FY 2008-09 site visit. All six local commissions provided corrective action plans and other documentation to substantiate resolution of their FY 2008-09 audit findings. We also verified that two FY 2007-08 findings were corrected.

### Compliance with Requirement for Public Discussion of Reported Audit Findings

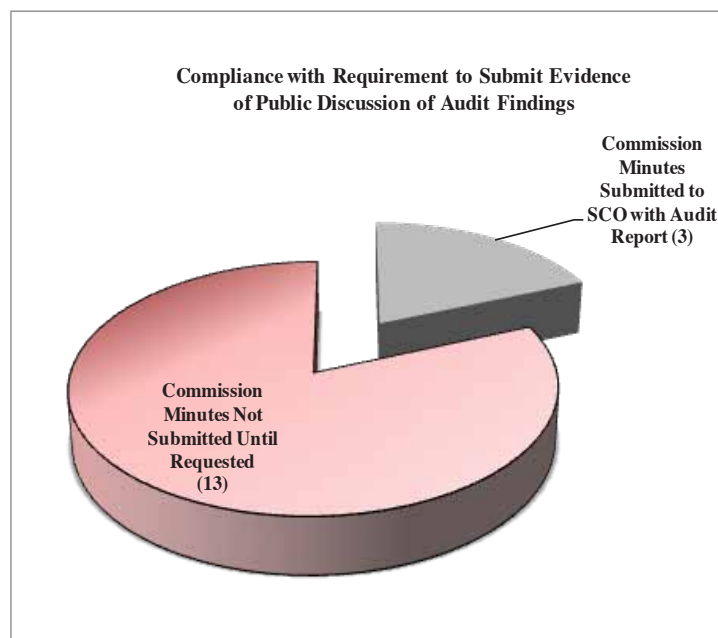
Based on our desk reviews of commission/board meeting minutes and on-site follow-up of audit findings, the SCO did not recommend withholding funding allocations for any commission for failure to correct (or provide a viable plan to correct) audit findings.

The local commissions are required to discuss their audit findings in a public hearing. Specifically, Health and Safety Code section 130151(d) states, in part, that:

... each respective county commission shall schedule a public hearing within two months of receipt of the audit to discuss findings within the report and any response to the findings. Within two weeks of the public hearing, the state or county commission shall submit to the Controller a response to the audit findings.

In September 2009, the SCO issued an advisory requesting that the local commissions submit, with their independent audit reports, evidence (board/commission minutes, signed commission meeting agenda item documentation) of public discussion of audit findings and any related corrective action plans. However, only 3 (19%) of the 16 local commissions whose independent audits contained findings submitted public discussion related documentation to the SCO with their audit reports (see Figure 9). Upon request, the remaining 13 submitted similar documentation. Based on the SCO's review of the documentation submitted, all 16 local commissions with audit findings held public hearings discussing the findings and related corrective action plans.

Figure 9



## Appendix A-1 Summary of Audit Report Deficiencies Fiscal Year 2008-09

Description of Audit Report Deficiency	Number of Occurrences
<u>Independent Auditor's Report</u>	
The Independent Auditor's Report did not include the independence related disclosure statement required by government auditing standards when the audit is prepared by the county auditor-controller.	1
The introductory paragraph of the Independent Auditor's Report did not indicate which financial statements were covered by the independent auditor's opinion as required.	1
The independent auditor's report reference to the separate report on compliance and on internal control over financial reporting did not contain all of the required elements.	<u>2</u> 4
<u>Basic Financial Statements</u>	
The basic financial statements included in the audit report were not prepared in accordance with accounting principles generally accepted in the United States.	6
<u>Required Supplementary Information (RSI)</u>	
Schedule of budgetary comparison did not total correctly and/or was not in a format consistent with governmental accounting principles.	3
<u>The Report on Internal Control Over Financial Reporting and on Compliance and Other Matters (GAS Report)</u>	
The GAS Report was not in the correct format and/or was not properly titled.	1
The GAS Report was not prepared in accordance American Institute of Certified Public Accountants (AICPA) Statement on Auditing Standards (SAS) No.112.	2
The closing paragraph of the GAS Report did not include required distribution detail and public record disclosure.	<u>2</u> 5
<u>Auditor's Report on State Compliance (State Compliance Report)</u>	
The state compliance report's reference to the required audit guide procedures was incomplete and/or not in the format required by the First 5 Audit Guide.	6
<u>Findings and Recommendation Section</u>	
Finding did not contain all elements required by government audit standards.	3
<u>Management Letter</u>	
Management letter referenced in audit report was not submitted with the audit report.	4
<u>Other Audit Report Presentation Issues</u>	
Auditor's opinions within the audit report were not signed and/or dated as required by auditing standards.	1
Audit report presentation was not consistent with audit standards and governmental accounting standards.	<u>1</u> <u>2</u>
Total	<u>33</u>

## Appendix A-2

### Summary of Audit Report Deficiencies Three- Year Comparison

Description of Audit Report Deficiency	Number of Occurrences		
	2006-07	2007-08	2008-09
<b><u>Independent Auditor's Report</u></b>			
The audit report did not include an independent auditor's report on the financial statements.	1	0	0
The Independent Auditor's Report did not include the independence related disclosure statement required by government auditing standards when the audit is prepared by the county auditor-controller.	0	0	1
The introductory paragraph of the Independent Auditor's Report did not indicate which financial statements were covered by the independent auditor's opinion as required.	0	0	1
The independent auditor's report did not reference the required supplementary information (RSI).	1	0	0
The independent auditor's report did not state that the auditor applied limited procedures to the RSI.	1	0	0
The independent auditor's report did not contain the required disclosures related to the separate report on compliance and on internal control over financial reporting.	1	3	2
The independent auditor's report did not identify the supplementary information accompanying the financial statements.	2	0	0
The independent auditor's report did not include an opinion on supplementary information in relation to the financial statements taken as a whole.	3	0	0
<b><u>Management's Discussion and Analysis</u></b>			
The Management's Discussion and Analysis was not included in the audit report.	3	0	0
<b><u>Basic Financial Statements</u></b>			
The audit report did not include basic financial statements prepared in accordance with accounting principles generally accepted in the United States.	1	2	6
<b><u>Notes to the Financial Statements</u></b>			
The audit report did not include notes to the financial statements.	1	0	0
The Notes to the Financial Statements does not include a statement identifying the amount spent on program evaluation during the period being audited.	7	1	0
<b><u>Required Supplementary Information</u></b>			
Schedule of budgetary comparison did not total correctly and/or was not in a format consistent with governmental accounting principles.	0	1	3
<b><u>Government Auditing Standards (GAS) Report</u></b>			
The Report on Internal Control Over Financial Reporting and on Compliance and Other Matters (GAS Report) was not included or was not in the correct format.	1	1	1
The GAS Report was not prepared in accordance American Institute of Certified Public Accountants (AICPA) Statement on Auditing Standards (SAS) No.112.	11	7	2

## Appendix A-2 (continued)

Description of Audit Report Deficiency	Number of Occurrences		
	2006-07	2007-08	2008-09
The GAS Report did not include disclosures, assurances, and references required by government auditing standards.	1	3	0
The closing paragraph of the GAS Report did not include distribution and disclosure that the report is a matter of public record.	0	20	2
<u>Auditor's Report State Compliance (State Compliance Report)</u>			
The state compliance report was not included.	2	0	0
The state compliance report reference to the required audit guide procedures was either incorrect or incomplete.	23	10	6
The closing paragraph of the state compliance report did not include distribution and disclosure that the report is a matter of public record.	0	4	0
<u>Findings and Recommendation Section</u>			
The Schedule of Findings and Questioned Costs was not included.	1	0	0
Audit Findings did not include all elements required by government auditing standards.	1	7	3
Auditee's corrective action plan to correct non-compliance was not included.	1	2	0
Schedule of Prior Audit Findings was omitted or incomplete.	0	5	0
<u>Management Letter</u>			
Management letter referenced in audit report was not submitted with the audit report.	2	1	4
Audit report did not contain required reference to separately issued management letter.	0	1	0
<u>Other Audit Report Presentation Issues</u>			
Auditor's opinions within the audit report were not signed and/or dated as required by auditing standards.	0	2	1
Audit report presentation was not consistent with government accounting standards (GASB 34) or audit standards.	0	5	1
Total	<u>64</u>	<u>75</u>	<u>33</u>





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California State University, Sacramento.



California Children and Families Commission