

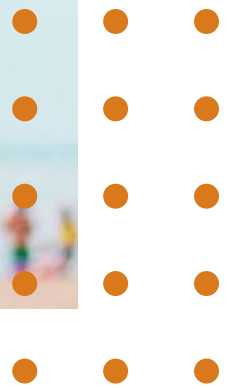


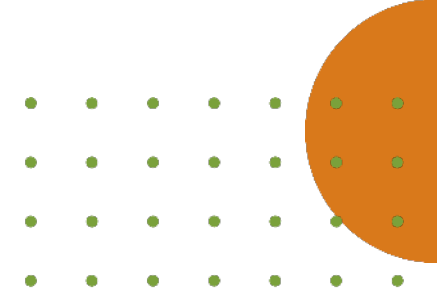
Stabilization Fund for First 5 Counties

First 5 California Commission Meeting
August 22, 2024

***Fabiola González**, Board President, First 5 Association of California
Executive Director, First 5 Fresno County*

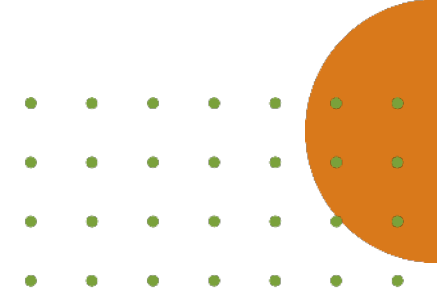
***Avo Makdessian**, Executive Director, First 5 Association of California*





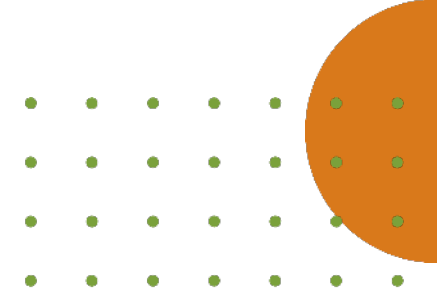
Requests from Commission Today

1. Offer feedback, suggestions, and comments to Stabilization Fund proposal
2. Direct staff to work with First 5 Association to finalize proposal details as needed
3. Agree to place proposal as an action item on the next Commission meeting agenda



Why Funding is Needed Now

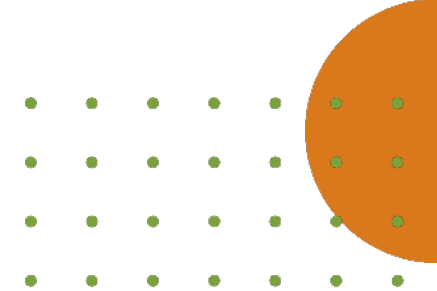
- Closing or reducing operations of Family Resource Centers
- Ending parent support programs serving local Latine families
- Ending support for Social-Emotional Development coaches and consultation in early learning settings
- Ending investments in Triple P – Positive Parenting Program
- Reducing investments in child care facilities
- Ending or reducing Infant Early Childhood Mental Health services (IECMH)
- Ending or reducing home visiting services
- Ending investments in 211 referral services
- Staffing reductions at First 5s and local nonprofits
- Inability to leverage Proposition 10 funding with other grants and funding sources
- Prop 10 revenue declines exacerbated by state and local county budget deficits
- Considerable uncertainty at the federal level with the 2024 election



Stabilization Fund Request and Purpose

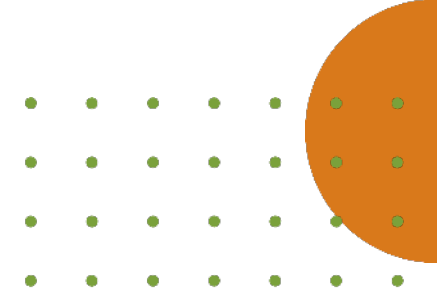
That First 5 California (F5CA) creates a one-time \$25 million Stabilization Fund for First 5 County Commissions (First 5s) that need support to ensure:

1. Protection of **critical local services to children and families** provided by First 5s and their community partners, and minimize cuts to these services to the extent possible.
2. Local First 5s have a **stable infrastructure** that allows them to leverage additional funding, meet long-term obligations, and provide time, space, and resources for long-term sustainability planning.



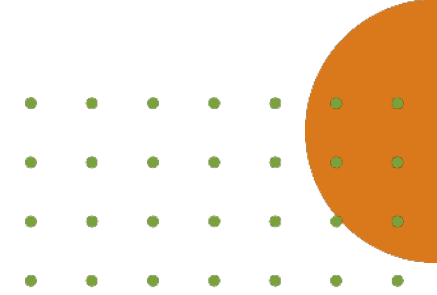
Why First 5 California for this Request

- The creation of this fund showcases F5CA's leadership
- F5CA has been a key partner and supporter of First 5s for decades
- One-time, stabilizing support for First 5s will allow them to focus on longer-term network development and sustainability strategies
- Proposition 10 directly ties the stability, impact, and success of F5CA to the stability, impact, and success of local First 5s



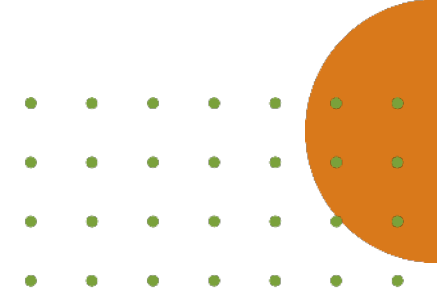
Recent Timeline of Engagement with First 5 California

- **October 19, 2023** - First 5 Association (Association) executive director presented to the Commission survey findings from First 5s highlighting financial and local community impacts of tobacco tax revenue declines
- **January 25, 2024** - Association and First 5s requested a funding allocation and partnership from the Commission to address unprecedented funding challenges and long-term sustainability
- **March 14, 2024** - Association submitted a follow-up letter to F5CA staff and Commission reiterating requests from January
- **May 1, 2024** – Association requested to F5CA that a stabilization fund proposal be discussed at the Commission’s Budget Study Session in May
- **May 15, 2024** - Association sent F5CA Commission the Stabilization Fund proposal one-pager
- **May 22, 2024** - Association presented the Stabilization Fund proposal to the Commission as part of the executive director’s report. No Commission discussion, however F5CA executive director said the proposal would be agendaized at August Commission meeting.
- **June 25, 2024** - F5CA staff sent Association 14 questions about the fund proposal
- **July 16, 2024** - Association submitted answers to F5CA questions
- **July and August 2024** - F5CA and Association staff met several times to discuss the proposal and clarify answers to questions. F5CA staff also met with local First 5 counties at Regional Meetings and at August 12 statewide First 5 ED call.



Stabilization Fund: **Possible Funding Categories (WHAT)**

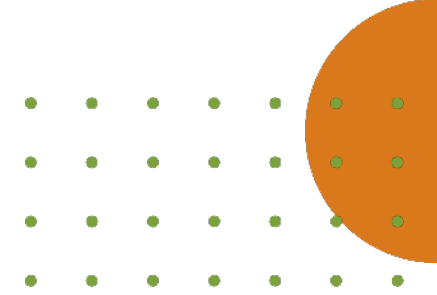
- **Program support:** this includes local programs and services that have recently been cut or will be cut without additional funding.
- **Infrastructure support:** this includes activities that support basic First 5 county commission operations, long-term financial and program planning, system-building and coordination, and leveraging non-Proposition 10 dollars or services.



Stabilization Fund: **Distribution Considerations (WHO)**

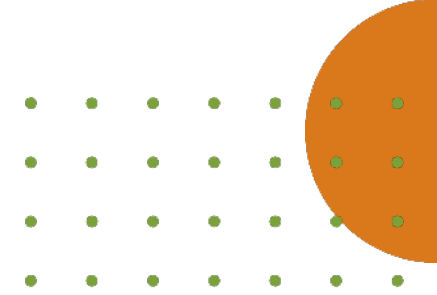
- **Prioritize First 5s that are “closest to risk”** e.g. *First 5s with lower fund balance to revenue ratios (run rate) and smaller counties with very few staff.*
- **Utilize an assessment of community cuts, staffing cuts, and other community impacts to determine risk**
- **Suggest using a sliding scale approach for equitable purposes if needed**, e.g. *more funding for those closest to risk and greater community impacts, and less funding for those furthest from risk and fewer community impacts.*





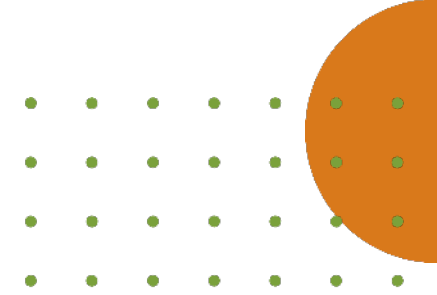
Stabilization Fund: **Guiding Principles (HOW)**

1. **Eligibility:** Every First 5 that meets agreed upon criteria is eligible, but does not have to participate
2. **Distribution:** Fund should be allocated and distributed based on individual county needs. This may require a formula or a capped amount allocated per county.
3. **Community Driven:** Every First 5 defines their specific, local challenge(s) and contexts to F5CA and are funded for their specific requests to extent possible
4. **Timing:** Allow First 5s flexibility on how much time they have to spend the dollars to extent possible
5. **Hold Harmless:** Existing funding to First 5s should not be impacted by participating in this fund
6. **Administrative Burdens/Efficiency:** Minimal application, reporting, and evaluation requirements to the extent possible to reduce burdens on already stretched staff. Utilize existing reporting structures to the extent possible.



Additional Information Shared with F5CA

- Legal Opinion on Proposal from Olsen Remcho (Letter)
- Via Answers to F5CA Questions
 - First 5 fund balances
 - Supplantation
 - Other funding exploration
 - Ensuring Equity
 - Return on Investment



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THANK YOU

