

# Implementation of California's Children and Families First Act of 1998

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**W**hen California voters passed the Proposition 10 ballot initiative in 1998, they set in motion an unprecedented experiment to reshape how California communities address the needs of very young children and their families. Since 1999, the California Children and Families First Act has dedicated nearly \$700 million per year to services for children, prenatal to age five, through increased state excise taxes on cigarettes (an additional \$0.50 per pack) and other tobacco products. By allocating 80% of the revenues at the county level to ensure that programs meet local needs and calling for an overhaul in the way services are developed, funded, and implemented, Proposition 10 has challenged the nation's largest state to embrace young children in a new way. (See Box 1.)

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Proposition 10 is intended to foster opportunities for physical, emotional, cognitive, and social development for California's youngest children before they begin school. The Proposition 10 interventions are aimed at providing better outcomes for children in later years. The task in reaching out to California's diverse children and their families is daunting. In 2000, the state had nearly 2.8 million children ages zero to four. Importantly, in 2000, California ranked 45th among states and the District of Columbia in poverty among children and youths, and ranked 46th in health insurance coverage. Only one-half of children eligible are enrolled in Head Start.<sup>1</sup> Many California youths face stiff odds as they move through California schools—California ranks 46th in the percentage of 18- to 24-year-olds who complete high school and 48th in incarcerated juveniles.

As a result of Proposition 10 and concurrent changes in public understanding and recognition of the importance of the early years, California is now engaged in a fundamental shift in how government, service providers, and the public view and respond to the needs of young children in the state. In 1997, only 54% of Californian parents surveyed identified birth to age three as the time during which the greatest amount of brain development

## Box 1

### Proposition 10 at a Glance California Children and Families Act of 1998

**Purpose**

Promoting, supporting, and improving the early development of children from the pre-natal stage to age five, so that children begin school healthy, ready and able to learn, and emotionally well-developed.

**Intent**

To facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development.

**Governance**

► State Children and Families Commission

Seven voting members appointed by: Governor (3), Speaker of Assembly (2), and Senate Rules Committee (2). Two nonvoting members: Secretaries of Education, and Health and Human Services.

Duties: Statewide leadership, coordination, and policy development; technical

assistance to County Commissions; research and evaluation; education and training for parents, child care providers, and other professionals; and public education and outreach.

► 58 Local County Commissions

Independent volunteer commissions with five to nine members appointed by county board of supervisors.

Duties: Adopt and submit to the State Commission a strategic plan consistent with state guidelines and purpose of the Act. Update annually. Prepare and submit annual audits.

Hold public hearings on strategic plan and annual audits.

Determine services, funding levels, and program contractors within broad guidelines.

**Revenues**

\$0.50 per pack increase in cigarettes and

increased taxes on other tobacco products.

Approximately \$687 million in 1999–2000, with slightly declining amounts annually thereafter.

Allocated 20% to the State Commission and 80% to County Commissions based on percentage of statewide births.

**Expenditures**

State Commission must spend funds on mass media (6%), education (5%), child care training and education (3%), research and development (3%), administration (1%), and unallocated, excluding administration (2%).

County Commissions have broad discretion to spend funds to improve child development, child health, family support, and family functioning.

Funds must supplement, not supplant, existing service levels.

Sources: The California Children and Families Act of 1998; California Children and Families Commission. *Proposition 10 informational brochure*. Sacramento, CA: CCFC, 2000.

occurs. By 2000, 76% of Californian parents, when asked the same question, were aware that those early years are the most critical ones for brain development.<sup>2</sup>

Moreover, Proposition 10 has changed the landscape in California by involving new and diverse local participants in a common discussion about the needs of young children, and about innovative and promising strategies to meet those needs. What remains to be seen is whether or not this citizen-sponsored initiative can achieve the impact intended by its sponsors: to facilitate an “integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development.”

This article reviews the Proposition 10 initiative, as well as the political campaign that led to its passage, and it offers some early observations on the challenges and opportunities presented as California moves to implement this new focus on very young children.

### History of Proposition 10

The increasing public and professional awareness of the significance of the first three years of life for brain development and for long-term intellectual, emotional, physical, and social well-being was a major impetus for the development of Proposition 10. The 1994 groundbreaking report issued by Carnegie Corporation—

*Starting Points: Meeting the Needs of Our Youngest Children*—synthesized the research, documented the overall poor conditions for many very young children in the United States, and highlighted national recommendations for public and private policy change. Professionals, policymakers, and the public confronted the striking disconnection between the scientific knowledge of brain development and existing public spending, policies, and programs for children.

In California, actor and director Rob Reiner embraced the research findings and initiated the “I Am Your Child” public awareness campaign in 1997 to help make the welfare of children ages zero to three a national priority. Reiner concluded that without significant additional resources, the well-being of young children would continue to be addressed in a piecemeal, ad hoc way. Reiner brought together a broad-based coalition to place Proposition 10 on the California ballot. He enlisted the support of organizations—like the American Cancer Society, the American Heart Association, and the American Lung Association—that were interested in raising California’s relatively low tobacco tax rate to further reduce tobacco use in the state. (See Box 2.)

Despite an intense \$35 million opposition campaign waged by the tobacco companies, California voters passed Proposition 10 in November 1998. Members were appointed to the State Children and Families Commission, including Reiner, who was named by Governor Gray Davis to chair the new commission. When voters were asked to repeal Proposition 10 in a

follow-up ballot initiative in March 2000, more than 70% rejected the repeal, reflecting the strong antitobacco sentiment among California voters and affirming public support for the early child development focus embodied in Proposition 10.

## Local Planning by Diverse Communities

By relying on 58 local County Commissions to receive funds, set local priorities, and allocate 80% of the program resources, the Proposition 10 model represents a fundamental departure from most health, social service, and education programs administered at the county level in California. Under Proposition 10, there are no state mandates, funding formulas by program area, or state regulations prescribing eligibility or grant parameters. Each local commission determines local spending priorities under Proposition 10 that are “consistent with (broad) state guidelines,” and each commission identifies and responds to local needs and service gaps.

The preference for local decision making and local program development is at the heart of the Proposition 10 model. California counties have historically had significant responsibility for administering state- and federal-funded programs, but local communities have never had such a large, ongoing source of flexible funding available for local priorities. (See Box 3.) Moreover, this is the first time that resources of this magnitude have been dedicated specifically to improving the lives of very young children.

To accomplish the daunting task of strategic planning, County Commissions assessed local needs and involved community members through hundreds of public meetings, focus groups, local surveys, and strategic planning sessions. Many counties implemented comprehensive outreach strategies to explain Proposition 10 to the public and involve hard-to-reach constituencies, such as the homeless, single parents, and teen mothers in the planning process.

Emerging from this unprecedented community-based planning process, County Commissions are now implementing a wide array of programs designed to meet local needs. For example, one county offers family support services to all parents of newborns discharged from hospitals, including at least one follow-up home visit by a nurse. Proposition 10 funds are being used to buy

## Box 2

### The California Initiative Process

In 1911, California became the tenth state to adopt the initiative process. California uses a direct initiative process, which enables voters to bypass the legislature and have an issue of concern put directly on the ballot for voter approval or rejection. In recent decades, California voters have increasingly turned to the initiative process to pass significant and substantive policy changes, including major property tax reform through Proposition 13 in 1974, legislative term limits, constitutional limits on state spending, and elimination of bilingual education programs.

## Box 3

### The California Model of Strong County Government

By relying on commissions organized at the county level, Proposition 10 built on California's experience with relatively strong county-level agencies that administer key education, health, and human service programs.

Under the California state constitution, the state's 58 counties have two primary areas of responsibility. First, the general purpose gov-

ernment function consists of providing services in response to local preferences, including libraries, transportation, and public safety. Second, as "agents of the state," California counties also have significant responsibilities to administer state- and federal-mandated services, primarily health and human services programs such as the Temporary Assistance for Needy Families program, food stamps,

and mental health services. These programs are funded, in large part, through subventions sent by the state and federal governments to counties but, unlike the Proposition 10 model, the programs must be carried out in a very specific manner, and they are subject to detailed regulatory oversight by the sending government.

Sources: The California Constitution; Silva, J. F. and Barbour, E. *The state-local relationship in California: A changing balance of power*. California: Public Policy Institute of California, 1999.

medical equipment, sponsor vans to bring health care to remote rural areas, hire resource development specialists to find funds for health services, and provide prenatal care services, subsidies for child health insurance, and breast-feeding promotion programs. The list of programs is as diverse as California's communities and populations.

A "school readiness" emphasis is emerging in Proposition 10 programs, and so County Commissions are investing in programs to improve the capacity, accessibility, and quality of child care. Viewing these as critical early learning environments for young children, local commissions support new buildings and capital improvements, training and education incentives for child care workers, business development for providers, and preschool scholarships for low-income children.

Specific child care efforts funded by local County Commissions include:

- ▶ A Mobile Early Childhood program serves San Benito County, a sparsely populated county where 50% of the children live in rural isolation. There are no child care centers or preschools in the southern part of the county, where all child care is provided in homes. The program supports a bilingual early childhood teacher who travels to remote areas, including migrant worker communities and isolated cattle ranches, to

train parents and caregivers on developmental activities for preschoolers that will enhance their kindergarten readiness. School nurses are also part of the team, offering immunizations, early screening programs, and general health and wellness services.

- ▶ An Educator Support Project in Nevada County focuses on recruiting, training, and supporting early childhood educators who work in county child care settings and preschools. To support their educational or professional growth activities, program participants receive career planning services; cash stipends; and child care, health, or other benefits. In addition, the Nevada County Children and Families Commission funded two mobile service vans to bring child development training to family child care homes and transport interns to child care centers.
- ▶ The Alameda County Early Care and Education Program established a "Child Development Corps" to award stipends to child care teachers and providers based on progressive levels of educational attainment. In 2000, the program provided stipends to 2,500 child care professionals, established several training programs, and distributed child care assessment tools to more than 2,000 teachers and providers. The California legislature approved a statewide pilot program called CARES (Compensation and Retention Encourage Stability, AB 212) to provide stipends similar to

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those in the Alameda program to providers of subsidized child care. The State Children and Families Commission has set aside matching funds for CARES counties that augment stipend programs to keep trained child care staff working in the field.

- ▶ In May 2000, the Los Angeles County Commission allocated \$12 million over three years for grants to support provider training; accreditation activities, supplemental services in child care settings such as dental and mental health care, and to pay for supplies, equipment, and technical assistance. In September 2000, the Los Angeles County Commission allocated another \$59.1 million over three years for grants to large and small child care providers to improve child care and early learning opportunities, and to move toward a comprehensive child care system in the county.

### Shared State/County Leadership

Proposition 10 envisioned a unique state and local partnership that would begin with local planning, not with a new statewide program, department, or system; and that would focus on achieving results through innovation. A central challenge has been learning how to accommodate 58 different County Commissions with individualized strategic plans and a State Commission with its own legislative mandates and funding, while developing one publicly recognizable Proposition 10 program. The State and County Commissions have entered into a voluntary partnership based on their common mission rather than organizing around a traditional mandated relationship. This developing partnership has yielded a shared commitment to the overarching Proposition 10 goal: Children healthy, ready for school.

#### The State Commission's Role

The State Commission serves as a supportive partner to County Commissions, providing state-level leadership and coordination, and collaborating with the state agencies involved in services for young children.<sup>3</sup> The State Commission offers counties technical assistance on statewide issues, disseminates the latest research and best practices, conducts statewide media and public

education campaigns, and administers several funding initiatives to support the goals of Proposition 10.

One of the first programs to receive State Commission funds in early 2000 was the Early Steps for Reading Success program. Early Steps helps young children become proficient readers by educating child care providers and caregivers in early literacy techniques and skills. State Commission initiatives also include expanded training for child care providers in underserved areas, matching grants to the County Commissions that increase compensation of child care providers, an asthma control initiative, and supplemental funding for literacy programs for at-risk and hard-to-reach children. The State Commission is also working with the Joint Legislative Committee to incorporate early childhood development and school readiness features into California's Master Plan for Education.

As part of its public education responsibility, the State Commission allocated nearly \$40 million per year over three years for media and community outreach to achieve three aims: (1) inform communities about the services available under Proposition 10, (2) communicate the importance of early childhood development, and (3) educate the public about the harmful effects of tobacco and environmental tobacco smoke on pregnant women and young children. The media program includes press relations, technical assistance to county commissions, production of collateral materials, paid media coverage, and partnerships with companies and community groups.

#### The County Commissions

In June 2000, the lead staff of the local County Commissions came together and formed the California Children and Families Association as a private nonprofit organization to promote early childhood development through Proposition 10's effective implementation, and to more fully realize the opportunity for partnership between the State and County Commissions. The association provides technical assistance to County Commissions and serves as a statewide forum for information exchange, policy evaluation, coordination, and sharing of best practices. It offers advice to the State Commis-



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sion on policy development and advocates for young children and families. The association meets monthly in conjunction with State Commission meetings.

### Foundation Support for Innovation

California-based foundations, many of which support early childhood development initiatives and family-focused service integration projects, became major partners early in the implementation of Proposition 10. Foundations funded local planning efforts and community outreach in some communities and spearheaded the development of the Proposition 10 Technical Assistance Center from December 1999 to December 2000. The center provided on-site and regional technical assistance, consulting services, and information to local commissions as they developed their strategic plans. A \$1.86 million grant made in early 2001 to the new statewide association supports continued targeted technical assistance services, as well as the association's infrastructure and development. Other collaborative foundation projects include (1) resource development related to inclusive governance and results-based accountability, and (2) a civic engagement project helping selected counties draw minority and special populations into their strategic planning processes.

### Integration: Being Creative and Strategic

Proposition 10 not only dedicated new resources to the development and well-being of young children, it also envisioned that the new funds would leverage existing programs and services and weave them into a more integrated and consumer-friendly system of services for young children and their families. The flexible, locally driven funding under Proposition 10 can be used strategically to complement existing programs and funding. Local communities are free to create new "cross-cutting" projects that bring together resources from different programs and staff from different disciplines and agencies concerned with children and families. Reiner, chair of the State Commission and the initiative's chief spokesperson, describes the flexible Proposition 10 revenues as the "glue money" facilitating improved communication between agencies as different as health care, law enforcement, child care, education, and social service agencies.

Agencies and organizations are talking to one another. County Commissions are funding services and programs that cross over traditional program and agency boundaries, and using Proposition 10 funds to help independent agencies and organizations improve coordination and integrate their services for children and families. Counties are also exploring Proposition 10 funding strategies that draw down state or federal matching funds, or attract funding from private sources.

Still, an ongoing challenge for those involved in Proposition 10 is to look for creative and innovative integration opportunities and strategic investments, while acknowledging significant gaps in the basic services children and their families need. There is tremendous pressure on County Commissions to address unmet needs for basic services, such as quality child care, health care, educational programs, and family support. Although the resources of Proposition 10 represent a significant commitment to the early childhood years, they are insufficient to fill all of the existing service gaps.

### Accountability: Measuring Success

Built into Proposition 10 is the explicit requirement that the State and County Commissions focus on "measurable outcomes for programs, services, and projects using . . . appropriate reliable indicators." All commissions must conduct annual audits that include

not only the purposes for which funds were expended, but progress toward specific goals and objectives and measures of specific outcomes.

The State and County Commissions are collaborating to implement this outcomes-based accountability approach. The State Commission is taking a lead role in evaluation, working to develop a set of core indicators tied to three strategic results (improved family functioning, child development, and child health) that can be tracked and measured statewide to provide a meaningful picture of Proposition 10 outcomes. County Commissions are working to incorporate outcome indicators and measurements in their strategic plans, and in their contracts and relationships with local grantees.

Proposition 10 accountability is challenging data systems at the state, local, and provider levels. In many instances, the systems lack the capacity to generate accurate baseline data on key indicators, such as child health status, housing, child care needs, and the education and employment status of parents. Given the visibility of Proposition 10, observers worry that public and political expectations may not allow the time needed to create real outcomes, and may be unrealistic about what can be accomplished with the funding available. Even so, the process of developing accountability systems provides a challenge and an opportunity to use the results for organizational learning and program improvement. The emphasis on results-based accountability also creates opportunities for coordination, collaboration, and cooperation at the state and local levels.

## Conclusions

At this relatively early stage, it is clear that California communities are working to live up to the spirit of Proposition 10—this is not “business as usual.” County Commissions embraced this spirit from the start, with highly visible and inclusive public planning efforts, and with funding strategies focused on filling gaps, creating linkages, and measuring outcomes. One early lesson from Proposition 10 is that success in accomplishing the initiative’s ambitious goals will require creativity, leadership, commitment, and persistence at all levels of California government and society.

Local communities are engaged in an unprecedented effort to develop and maintain the requisite leadership,

capacity, and public consensus on new ways of delivering services and programs to children and families. From state government must come leadership in better integrating existing state services and funding for children under age five, and ensuring the flexibility to support local innovation and coordination strategies. State and local leaders will continue to be challenged by Proposition 10’s unique governance structure.

California voters have twice affirmed their support for a comprehensive response to the needs of very young children. While the state has come a long way in a relatively short time, implementation has only just begun. The jury is still out—and most likely will be for some time—on whether or not the promise of Proposition 10 can be achieved. What California does, and the results it ultimately reports, will inform the national knowledge base about early childhood development and highlight both the benefits and the shortcomings of flexible funding, infused with community-based planning, to improve the quality of life for children in their earliest years and beyond.

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## ENDNOTES

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