



SOLANO COUNTY CIVIL GRAND JURY

2022-2023

FIRST 5 SOLANO

May 4, 2023

First 5 Solano

Solano County Civil Grand Jury 2022-2023

I. SUMMARY

The 2022-2023 Solano County Civil Grand Jury elected to examine First 5 Solano, an agency mandated by Proposition 10 to improve the lives of young children and their families. The continuing decrease in funding from Tobacco Tax income will impact continuing operations and development of future facilities. Expansion of First 5 Solano family learning centers throughout the County is essential to First 5 Solano's achievement of its stated goals.

II. INTRODUCTION

In 1998, California voters approved Proposition 10, a measure that established "a program in the state for the purposes of promoting, supporting, and improving the early development of children from the prenatal stage to five years of age" (Health and Safety Code section 130100). Revenue and Taxation Code sections 30131-30131.6 specify funding for this program.

The California Legislature passed the California Healthcare, Research and Prevention Tobacco Tax Act of 2016, codified in Revenue and Taxation Code, sections 30130.50-30130.59. According to section 30130.54:

"(a) The [California Cigarette Distribution Tax] board shall determine ... annually ... the effect that the additional taxes imposed on cigarettes by this article, and the resulting increase in the tax on tobacco products required by subdivision (b) of Section 30123, have on the consumption of cigarettes and tobacco products in this state. To the extent that a decrease in consumption is determined by the board to be a direct result of the additional tax imposed on cigarettes by this article, and the resulting increase in the tax on tobacco products required by subdivision (b) of Section 30123, the board shall determine the fiscal effect the decrease in consumption has on the Cigarette and Tobacco Products Surtax Fund created by Section 30122 (Proposition 99 as approved by the voters at the November 8, 1988, statewide general election), ... and the California Children and Families Trust Fund created by Section 30131 (Proposition 10 as approved by the voters at the November 3, 1998, statewide general election), and the revenues derived from Section 30101.

"(b) The Controller shall transfer from the California Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund to those affected funds described in subdivision (a) the amount necessary to offset the revenue decrease directly resulting from the imposition of additional taxes by this article.

"(c) The board shall determine ... annually ... the effect, if any, that the additional taxes imposed on cigarettes by this article, and the resulting increase in the tax on tobacco products required by subdivision (b) of Section 30123, have on the consumption of cigarettes and tobacco products in this state, including from the

illegal sale of cigarettes and tobacco products. To the extent that there is a loss of state or local government sales and use tax revenues and such loss is determined by the board to be a direct result of the additional tax imposed on cigarettes by this article, and the resulting increase in the tax on tobacco products required by subdivision (b) of Section 30123, including from the illegal sale of cigarettes and tobacco products, the board shall determine the fiscal effect on state and local government sales and use tax revenues.

“(d) The Controller shall transfer from the California Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund to the general fund of the state and those affected local governments described in subdivision (c) the amount necessary to offset the state and local sales and use tax revenue decrease directly resulting from the imposition of additional taxes by this article, including from the illegal sale of cigarettes and tobacco products.

“(e) Transfers under this section shall be made by the Controller at such times as the Controller determines necessary to further the intent of this section.”

California First 5 programs distribute funds to counties to accomplish the goals stated above. Each county participating in this program must make an annual accounting of its functions during the previous term. This document includes an audit and report of the manner in which the funds were expended, progress and achievement of program goals, and information on the programs funded and populations served.

The Solano County Board of Supervisors approved an ordinance on June 8, 1999, to establish First 5 Solano. Proposition 10 mandates that the First 5 Solano governing board have nine commissioners, including one member of the Board of Supervisors and two representatives from the County Health and Social Services Department.

First 5 Solano staff consists of an Executive Director, a Deputy Director, three program managers, a health education specialist, and an office assistant. The program office is located in Vallejo, in the same building as the Vallejo First 5 Family Learning Center.

The following chart sets out First 5 Solano’s Values and Goals.

FIRST 5 SOLANO STRATEGIC FRAMEWORK

MISSION: First 5 Solano is a catalyst that strategically advances innovative, prevention-focused approaches across systems that improve the lives of young children and their families.



Source: First 5 Solano 2022 Strategic Plan Update

First 5 Solano receives funding from a variety of sources, the largest being Tobacco Tax funds. Additional funding comes from the Mental Health Services Act and grants.

In California fiscal year 2021-2022 (July 1 to June 30) First 5 Solano had revenues of \$6,659,397. Tobacco funds accounted for a little over half of total revenue at \$3,466,688. First 5 Solano received additional State funds of \$2,000,000 earmarked for the creation of a Fairfield First 5 Family Learning Center as well as \$104,666 for Home Visiting Coordination. The California Mental Health Services Act (MHSA) provided \$422,868 to First 5 Solano and it received \$67,951 for services to other Solano County Departments.

Grants contributed significantly to First 5 Solano. The Yocha Dehe Wintun Nation granted \$400,000 for the Vallejo and planned Fairfield First 5 centers. Genentech Corporation provided \$5,000 for Pre-K academies. Medic contributed \$33,000 to the Vallejo First 5 center. First 5 Solano also received \$10,635 from other funds.

First 5 Solano funds several agencies within Solano County (see chart on page - 7 -) to provide services to children aged 0-5 and their families. At the time of this report, they contract with one Family Learning Center in Vallejo, available only to citizens of Vallejo.

III. METHODOLOGY

Reviewed California Health and Safety Code sections 130100-130155
Reviewed California Revenue and Taxation Code sections 30130.50-30131.6
Reviewed California Proposition 31 (2022)
Reviewed County of Solano, FY2022/23 Recommended Budget
Reviewed First 5 Solano website (<https://www.solanocounty.com/depts/first5/>)
Reviewed First 5 Solano Annual Report AR-1 (July 1, 2021-June 30, 2022)
Reviewed First 5 Solano Audit Report (July 1, 2021-June 30, 2022)
Reviewed First 5 Solano 2023 Long Term Financial Plan
Reviewed First 5 Solano Program Investment Plan 2023-2028 Funding Cycle
Reviewed First 5 Solano 2022 Strategic Plan Update
Reviewed First 5 California Press Release (January 11, 2023) regarding the Governor’s 2023-24 Budget Proposal (https://www.cfc.ca.gov/pdf/about/news_events/pr/pr_2023_01_11_F5CA_Statement_on_Governors_Proposed_Budget.pdf)
Reviewed *Daily Republic* article “County dedicates \$2 million toward First 5 Center in Fairfield” (June 29, 2022, p. A4)
Interviewed First 5 Solano staff
Toured First 5 Solano offices
Toured Vallejo First 5 Center

IV. STATEMENT OF FACTS

First 5 Solano staff stated “early childhood data and research” guide them in providing services. According to First 5 Solano, research shows that the foundation for a child’s life is laid in the first five years. For example, early trauma or adverse childhood experiences have a negative impact on brain development which can affect “health and mental health problems in adulthood.” Focused and high-quality support early in life makes a significant difference in the direction of children’s lives for the future.

The County’s Vision, according to the First 5 Solano website, states, “All Solano County children are healthy, eager to learn, and nurtured by strong families in safe and inclusive environments.” As a result of data and research, First 5 Solano invests in “direct service and systems change initiatives.” Their focus addresses multiple areas of well-being, including health, early learning and development, and family support.

At the time of this report, First 5 Solano operated only one Family Learning Center in Solano County, located in Vallejo. The City of Fairfield approved funding for a similar facility to be located within the proposed North Texas Recreation Facility. The site has been projected for construction starting July 2023.

The following chart shows disparities among various locations within Solano County affecting children.

Indicators of Child and Family Well-Being in Solano, by Zip Code

Zip Code	City	% of children 0-5 ¹	# of children 0-5 ¹	Subs. child maltreat. allegation rate ²	Foster care entry rate ²	% of children under 5 in poverty ¹	Civilian unemploy. rate ¹	% of adults with BA+ ¹	% of 3rd graders proficient in math ³	% of 3rd graders proficient in read. ³	% of 3 to 4-yr-olds in school ¹	% of children 0-5 w/ insurance ¹	# of needs	Change in needs since 2017
Solano Median Rate				4.7	1.1	12%	6%	28%	45%	43%	42%	99%	--	
State Rate				10	4.5	19%	6%	34%	50%	49%	50%	98%	--	
94590	Vallejo	9%	2,714	9.6*	6.3*	44%*	9%*	21%*	33%*	33%*	32%*	98%*	9	↔
94533	Fairfield	22%	6,687	6.6*	1.6*	15%*	7%*	22%*	45%	43%	44%	98%*	6	↔
94589	Vallejo	9%	2,794	4.7	1.1	16%*	11%*	21%*	33%*	33%*	38%*	99%	6	↓
94591	Vallejo	10%	3,130	4.5	1.3*	12%	7%*	30%	33%*	33%*	42%	95%*	5	↓
94585	Suisun City	7%	2,198	9.1*	1.8*	9%	6%	22%*	45%	43%	37%*	98%*	5	↑
95620	Dixon	4%	1,153	3.5	0.9	16%*	6%	19%*	43%*	43%	31%*	96%*	5	↔
94571	Rio Vista	<1%	109	36.7*	0	26%*	6%*	33%	36%*	34%*	--	100%	5	↓
95687	Vacaville	14%	4,367	6.2*	1.4*	6%	4%	22%*	48%	49%	48%	98%*	4	↑
95688	Vacaville	8%	2,573	5.8*	5.1*	15%*	5%	28%	48%	49%	44%	99%	3	↓
94535	Travis AFB	3%	885	2.3	0	10%	6%*	44%	46%	44%	27%*	99%	2	↑
94592	Vallejo	<1%	78	0	0	0%	0%	59%	33%*	33%*	74%	100%	2	↓
94510	Benicia	4%	1,361	1.5	0.7	11%	3%	45%	66%	60%	50%	99%	0	↔
94534	Fairfield	8%	2,568	3.5	0.8	1%	3%	40%	45%	43%	50%	100%	0	↔

*Worse than median value for County (figures may appear above median in one ZIP, but below in another, due to rounding).

--Valid preschool enrollment data unavailable for 94571.

Date prepared: November 16, 2021

Sources: ¹US Census, American Community Survey, 2015-2019 5-Year Estimates; ²Solano Department of Child Welfare Services, 2020, Rate per 1000 Children 0-5;

³California Department of Education, California Assessment of Student Performance and Progress, 2019

Source: First 5 Solano

According to the Fiscal Year 2021-2022 Audit Report, First 5 Solano maintains a significant financial reserve for 2023. First 5 Solano had an ending balance of \$13,411,343 for the fiscal year ending June 30, 2021. Contractual obligations, restricted unspent grant funds, and “nonspendable” items reduced the reserve fund to \$7,863,349. First 5 Solano’s 2021-2022 expenditures totaled \$4,043,098.

Annual Program Investment Levels

Initiative	Strategies	First 5 Solano Funds	Matching Funds	Total
Prenatal for Black Moms	Systems change efforts to support better outcomes for prenatal and early parenting black mothers	100,000		\$100,000
Help Me Grow Solano	Access and linkage to services; family navigation/coordination	138,000	192,000	\$330,000
Triple P	Parent education and mental health treatment	250,000	250,000	\$500,000
First 5 Centers	Parent education; family strengthening programs with a focus on Vallejo and Fairfield	800,000	483,000	\$1,283,000
School Readiness	Supports for the early childhood education system to address impacts from new TK grade	100,000		\$100,000
Annual Grants	Small grants issued every year to fill gaps, address time-sensitive issues and spark innovation	160,000		\$160,000
EPSDT	Part of the local match requirement for Medi-Cal mental health interventions	50,000		50,000
Rio Vista	Neighborhood-based family support, including case management and school readiness activities	42,000		42,000
Total:		1,640,000	925,000	\$2,565,000

Source: First 5 Solano Program Investment Plan 2023-2028 Funding Cycle

In the above chart, “Triple P” refers to the Positive Parenting Program, and “EPSDT” refers to the Early and Periodic Screening, Diagnostic and Treatment Program.

First 5 Solano staff noted that, in partnership with the community, they activate and advance prevention-focused programs and systems that contribute to Solano County’s vision for its children.

In fiscal year 2020-2021, First 5 Solano invested over \$4 million on initiatives in Solano County, reaching over 11,000 residents, including more than 5,000 children (ages 0-5).

The fiscal year Solano County 2022-2023 Recommended Budget includes \$3,100,000 in contracted services. Mainly:

\$670,000	Family Strengthening Services at the Vallejo First 5 Center and Rio Vista CARE
\$450,000	Triple P Parent Education-8 contracts
\$300,000	Help Me Grow call center with Solano Family & Children’s Services
\$250,000	Quality Early Care and Education Services with Solano County Office of Education-40 childcare sites
\$200,000	Annual Grants
\$160,000	Pre-Kindergarten Academies
\$75,000	Raising a Reader

According to the First 5 Solano 2023 Long Term Financial Plan, the annual funding from Tobacco Tax Revenue will decrease by approximately \$600,000 annually. In the First 5 California Press Release (January 11, 2023) regarding the Governor’s 2023-24 Budget Proposal, “This decline in tobacco tax revenue is compounded by the recent passage of Proposition 31, the

statewide flavored tobacco ban. First 5 revenue is projected to decrease by a staggering \$461 million over the next eight years and \$138 million [for] toddlers, and preschoolers.”

V. FINDINGS AND RECOMMENDATIONS

FINDING 1 – Declining revenue from Tobacco Tax funding presents both current and future monetary challenges for maintaining mandated First 5 Solano services.

RECOMMENDATION 1a – If the State Controller does not act according to Revenue and Taxation Code section 30130.54(b) and transfer appropriate funding, First 5 Solano can request offsets.

RECOMMENDATION 1b – Develop further sources of income, both public and private, to maintain and expand delivery of services.

FINDING 2 – First 5 Solano currently operates a Family Learning Center in the City of Vallejo only. Residents of other cities in Solano County could benefit from similar programs.

RECOMMENDATION 2 – Establish additional First 5 Solano Family Learning Centers in each city within Solano County.

COMMENTS

This Civil Grand Jury is the first in Solano County to review and investigate First 5 Solano since California voters approved it in 1998 through Proposition 10.

The Civil Grand Jury found that First 5 Solano makes a significant contribution to the direction of children’s lives and is a crucial partner for the Solano County community.

REQUIRED RESPONSES

Solano County Board of Supervisors
Director, First 5 Solano

COURTESY COPIES

Director, Solano County Health & Human Services
First 5 Solano Commission
Vallejo Family Services Center