

Proposition 10: Tobacco Tax to Fund Early Childhood Programs

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Abstract

In 1988, voters in California passed Proposition 10 to fund Early Childhood Education (ECE) programs to support children between 0-5 years of age. Proposition 10 is funded by tobacco tax dollars. An additional 50 cents of tax is charged by consumers of tobacco product and distributed to the 58 counties to support the welfare and educational programs for the youngest members of the state of California. As a result of this ballot measure California Children and Families Commission also known as First 5 Commission/First 5 California was developed to manage the funds and implement ECE programs. The California Children and Families Act of 1998 is bounded by the California Health and Safety Codes 130100 - 130155 and county ordinances of each county. The State Board of Equalization administers cigarette and tobacco product taxes. The First 5 Association of California coordinates services and provides support to the State First 5 Commission and county commissions to ensure better health, early learning opportunities, and family strengthening for all children 0-5 and their families. First 5 Commission and county commissions invested over \$430.5 million to improve the lives of 984,302 children in California during 2013-14 fiscal year out of which Riverside County Children and Families Commission (First 5 Riverside) received \$20 million and impacted the lives of 125,726 children, parents and educators.

Keywords: Proposition 10, First 5 California, Tobacco Tax, Early Childhood Education, Riverside County Children and Families Commission, First 5 Association

Proposition 10: Tobacco Tax to Fund Early Childhood Programs

Proposition 10 is famously known as “ Tobacco Tax.” In 1988, voters in California supported this ballot measure to fund Early Childhood Education (ECE) programs by levying an additional 50 cents tax on tobacco products. Proposition 10 called for the creation of the California Children and Families Commission (CCFC) and 58 individual county commissions. CCFC also known as Frist 5 Commission/First 5 California was developed to be responsible for the administration of the early childhood development program, manage the funds and implement the California Children and Families Act of 1998. The 58 County Commissions work to promote the goals of First 5 California while also targeting the needs of the specific counties and the diverse populations that make the state of California. First 5 of Los Angeles, Orange County, San Diego, Riverside and San Bernadino are among the largest county commissions among the 58 counties.

The organizational structure of the First 5 California is in accordance to the California Children and Families Act of 1998. This includes an independent seven member State-level Commission appointed by the California Legislature and Governor, with a designee from Secretary of the California Health and Human Services Agency serving as an ex-officio member. The Commission appoints the First 5 California Executive Director; the current Executive Director is Camille Maben (Annual Report, Frist 5 California, 2013-14).

The commission is responsible for the development of statewide program guidelines, distribution of educational materials, provide technical assistance to the 58 county commissions, and conduct research and evaluations of early childhood development programs. It is required by

the California Children and Families Act of 1998 that program guidelines of the First 5 State Commission and county commissions address parenting education and support, availability and provision of high quality, accessible, and affordable child care; and the provision of specified types of child health care and prenatal and postnatal maternal health care services (Legislative Analyst's Office, 2015). The goal of First 5 Commission and the county commissions is ensure that every child has the opportunity to grow up healthy and ready to learn alongside their peers as they enter kindergarten

According to Ballotpedia, during the 1998-99 year, the income generated from this tax was approximately \$400 million with a projected income of \$750 million annually thereafter. The fiscal impact of this measure was an increase of \$2 million in 1998-99 in increased state General Fund revenues of about and \$4 million annually thereafter. "Proposition 10 won narrowly after a hard-fought campaign where its unsuccessful opponents spent about \$30 million to defeat it versus the slightly less than \$10 million spent by its supporters. As of 2009, Proposition 10 was generating about \$500 million a year in taxes."

The State Board of Equalization collects tax levied on all tobacco products and deposits the revenue into the California Children and Families Trust Fund, allocating 20 percent to First 5 California and 80 percent to county commissions. The Annual budget of First 5 California for the fiscal year 2013-2014 was \$430.5 million. \$344.4 million were distributed to the county commissions and First 5 Commission held back \$86.1 (Annual Report, First 5 California, 2013-14). Each year, First 5 California allocates funding to each county commission based on the annual number of births in the county.

Programs are offered in health and nutrition, quality child care, early literacy and language development along with cessation of smoking by the First 5 Commission and its' counter parts to improve early childhood outcomes. First 5 California targets children, parents, and educators through their Child Signature Programs, Parent Signature Programs and Teacher Signature Programs in investing millions of dollars to improve the quality of early childhood education programs and personnel. First 5 California's four Result Areas are:

Improved Family Functioning;

Improved Child Development;

Improved Health; and

Improved Systems of Care

Partnerships are developed with the Child Development Division of the California Department of Education, U.S Department of Education, California Department of Public Health, California Department of Development Services, Institutes of Higher Education, Philanthropic organizations, County Offices of Education to provide sustainable integrated and coordinated programs for all children in California as mandated by the Health and Safety Code of the State of California and ordinance of each county. According to the Fact Sheet published by First 5 Association, one in every 4 children have been impacted with funding provided by First 5 California. "Our promise is to continue to invest in services and programs that directly benefit children and families, and to advocate for a sustainable early education system for future generation." First 5 California. Emphasis is placed on early learning through play, meaningful interactions, high quality programs and research on child growth and development, especially

brain development. Each First Five Commission strives to make the first 5 years count by educating parents and caregivers about the important role they play in their children's first years.

It is stated in the Annual Report of First 5 California that significant developmental disparities exist among children ages 0 to 5 across California. This is deemed to pose an early readiness gap which threatens later learning, development, and the overall health and well-being of children. First 5 California understands the importance of creating programs that support to overcome the socioeconomic barriers that limit children's opportunities for success. Since 1998, First 5 California and county commissions have actively promoted screenings and assessments to identify and make referrals in order to access and receive services for children with special needs and their family members. The funds from Proposition 10 and Race to The Top – Early Learning and Care (RTT-ELC) federal grant federal support was provided to participating counties on screening and follow-up in early learning settings, specifically around use of the Ages and Stages Questionnaire, a valid and reliable screening tool for early childhood development.

Business operations, fiscal operations, planning and budgeting procedures of the state and county commissions conducted in a similar manner. The State Commission develops a Five year Strategic Plan by understanding the state-wide needs while each County Commission develops a Five year Strategic Plan by understanding the county-wide local needs communities. The State Commission and each County Commission are required to conduct at least one public hearing according to the stipulations of the California Health and Safety Codes 130100 – 130155 and explanations should be provided about revenue allocations stating that general funds will not be utilized by the California Children and Families Trust. In addition, the public should be made

aware that the strategic plan will be reviewed annually and revised as necessary and appropriate. The budget should directly and explicitly to the commission's long-term fiscal plan. All programs and allocations must be directly aligned and consistent with the strategic plan decisions. It is required to prepare Annual and Multi-year budgets that best fits the needs within the constraints imposed by commission policies, county government and state government. Programs and services are rendered in accordance to the adopted budget each year. It is an expectation that the revenue received from the State Board of Equalization with funds generated by the tobacco tax is expensed to support the welfare of children 0-5 years. Fiscal Management Guide of the First5 Association of California (Fifth Edition, 2015).

State and county commissions are required to conduct annual audits of their expenditures and to issue reports on these audits by October 15th of each year. These reports must include the manner in which funds were expended, the progress toward program goals, and the measurement of outcomes. In addition, First 5 Commission is further required to compile a report that summarizes, analyzes, and comments on the audits and reports of the county commissions by January 31st of each year to the legislatures. (LAO, 2015). The goal of this reporting is to ensure that First 5 California supports and empowers each county commission to achieve common goals and outcomes for children ages 0 to 5 by developing its own strategic plan and programs to accomplish those goals according to the needs of local children and families. At the same time, this report illustrates, First 5 California and the county commissions work as partners to implement the statewide Signature Programs and identify common policy goals.

Riverside County Children and Families Commission (First 5 Riverside)

Riverside County Children and Families Commission (First 5 Riverside) operates in accordance to the Health and Safety Codes 130100 - 130155 of the California Children and Families Act of 1998 and Ordinance 784 of Riverside County. The service area of First 5 Riverside stretches from Corona to Blythe. The Riverside County Children and Families Commission is invested in a range of early care and education programs and health services in order to support the success of children in school and throughout their lives. First 5 Riverside County investments includes promotion of parent and caregiver education with the CARES Plus Project for the workforce development, increased access to quality child care and preschool services, and improved quality health care services for asthma, breastfeeding support home visitation services, health access, nutrition and physical activity, oral health, special needs child care, targeted home visitations for high-risk families and support with the Child Signature Program. First 5 Riverside recognized the need to invest in the medical school of University of California Riverside to meet the shortage of pediatricians in Riverside County through the Strategic Plan of 2010-2015. This collaboration is aligned with the mission of First 5 California for providing sustainability and stability in programs and services for children between 0-5.

According to the Annual Report of the Riverside County Children and Families Commission FY 2013 - 2014, total revenue was \$21,639,285, total expenditure of \$22,500,579 with a fund balance of \$ 44,139,589.

The summary of total population served Improved Family Functioning, Improved Child Development, Improved Health; and Improved Systems of Care during 2013/2014 are as follows:

Children 0-3: 7,167

Children 3- 5: 44,456

Children ages unknown: 7,802

TOTAL Children: 59,425

Parents: 61,519

Providers: 4,782

TOTAL: 125,726 (Children, Parents and Providers)

9,607 children were provided with developmental, behavioral, mental and /or physical health screenings and referral services in 2013/2014 compared with 9,978 in FY 2012/2013.

Asthma screenings continue to be a newer focus in Riverside County with 1,902 children assessed; 2 major asthma funded partners undertook environmental assessments of 159 child care facilities and 11,033 children and parents were provided outreach services through puppet shows and theatrical plays, captured through the primary medical specialty category. Training was provided to 870 providers in asthma management, similarly to last fiscal year and captured in the quality health systems improvement services.

The contribution of Proposition 10 is impacting the lives of the youngest members of our state positively in order to access high quality ECE Programs, screenings for health (oral health, mental health...etc), parents support and educator support. Prop 10 celebrated 15 years of providing successful services and collaboration in providing sustainable integrated and coordinated programs for all children in California through California Children and Families Commission (CCFC) and 58 individual county commissions.

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