



Strategic Plan **2020-2025**



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A Message to Our Community

In the fall of 2019, First 5 Santa Cruz County (First 5) embarked on a strategic planning process with the goal of developing a collective vision and goals for a countywide early childhood system of care, aligned or integrated with existing countywide initiatives (e.g., Collective of Results and Evidence-based Investments and Thrive by Three). This collective vision, developed in collaboration with key partners, would provide direction and a focus as First 5 developed this roadmap, or strategic plan, for the next five years.

We began with high hopes and confidence that decades of advocacy for early childhood investments were finally paying off. Governor Newsom had set a bold vision of a “California for All,” calling for a series of policies and investments

to make California more affordable for families, while also strengthening the state’s fiscal health. In May 2019, the Governor and First Partner launched the first-ever Parents Agenda, proposing a comprehensive set of two-generation policies to meet the needs of young children while also ensuring that families have the resources and opportunities needed to raise healthy, thriving children.

The Governor’s first state budget reflected the vision and values underlying his Parents Agenda, dedicating over \$2.6 billion in new investments to address areas of need that First 5s and other advocates have championed for years, including expansion of child care and full-day kindergarten, universal preschool, the earned income tax credit, paid family

leave, home visiting, developmental and trauma screening, and professional learning and development. The budget also included resources to plan for California’s future early childhood system by creating an Early Learning Master Plan and Cradle-to-Career Education Data System.

The historic levels of investment in young children and families, paired with the Governor’s appointment of early childhood champions to key positions in his administration—such as Kris Perry (former Executive Director of First 5 California and the First Five Years Fund, appointed as Deputy Secretary and Senior Advisor to the Governor at the California Health and Human Services Agency) and Dr. Nadine Burke Harris (a national expert on Adverse Childhood Experiences, appointed as the first-ever Surgeon General of California) laid the groundwork for ensuring that all children in California have equitable opportunities to learn, grow, and thrive. In addition, many State legislators have prior experience in the early childhood sector, including several who were First 5 Commissioners in their home counties, and understand that providing high-quality supports and interventions in the earliest years can change the trajectories of children’s lives.

At the start of 2020, the future of California’s early childhood investments looked bright, despite the ongoing declines in Proposition 10 tobacco tax revenue, the primary source of funding for First 5 Commissions statewide. As First 5 Santa Cruz County delved deeper into its strategic planning process, our

Commission, staff, and partners were emboldened to “reimagine First 5” and envision a new future that balances the reality of declining Prop 10 revenue with the Governor’s bold Parents Agenda and First 5’s growing role in collective impact initiatives, advocacy, and systems change. We were excited about the inspiration and possibilities that emerged during our strategic planning process.

Then came COVID-19. The impact of the global pandemic is seen and felt at the local level, changing our community in ways that would have seemed inconceivable prior to COVID-19. The health, economic, and social impacts of the pandemic and associated shelter in place orders have touched every corner of our county, with the burden of economic instability, food insecurity, lack of access to child care, barriers to participating in distance learning, family violence, and mental and behavioral health concerns falling heavily on families with children, particularly undocumented immigrants and families of color who already faced barriers to accessing vital resources and opportunities. COVID-19 has exposed the weaknesses in health, education, social, and economic systems at the local, state, and national levels and exacerbated inequities in children’s opportunities and outcomes. Our strategic priorities have not changed because of COVID-19, but the urgency of implementing collaborative, creative responses to meet the immediate needs of young children and families while preserving and strengthening the early childhood system of care has never been more important.

And then came more killings of Black Americans: George Floyd, Breonna Taylor, and Ahmaud Arbery. These unjust deaths were neither the first nor isolated incidents of racial injustice, but were yet another painful reminder of the persistent, historic, and systemic racism that is a root cause of inequitable opportunities and life outcomes for people of color. First 5 Santa Cruz County stands firmly against racism, oppression, inequality, and injustice in all its forms. We stand in solidarity with all people who identify as Black, Indigenous, Latinx, and other communities of color, and we recommit ourselves to using our resources and relationships to advance racial equity and justice. Our strategic priorities have not changed because of the most recent racial injustices, but our resolve to identify the root causes of inequity and take meaningful, collective action to change the community conditions that determine health and well-being has only grown stronger.

While we don't yet know the full extent of the economic impact of COVID-19, we do know that current fiscal projections paint a bleak picture at the state and local level, which makes it more difficult than usual to project our long-term financial plan. Similarly, we don't yet

know how systems and social norms will change in response to the present-day injustices, but we do know that “rebuilding for equity” is a marathon, not a sprint. As we launch our 2020 – 2025 strategic plan in the midst of social and economic uncertainty, we must be visible, vocal, and vigilant in advocating for investing in young children and families as an economic recovery and racial justice strategy.

But we can't do this alone. We need to listen to and stand beside our many partners—parents, early educators, schools, family-serving agencies, local government, funders, businesses, and community members who care about kids. Together we can overcome obstacles, implement creative solutions, and ensure that our early childhood system emerges from these uncertain times stronger than ever. This will require a disciplined, unwavering commitment to racial equity, a two-generation “whole child/whole family” approach, upstream prevention, and integrated services and systems. These are not luxuries that can wait for a better time. These are the essential building blocks of an effective, equitable early childhood system that all young children deserve today and for generations to come.

In partnership,



David G. Brody
Executive Director



Toni Campbell
Commission Chair

About First 5 Santa Cruz County

Our Vision of Success

Healthy, Happy, Well-Prepared Children.
Thriving Families.
Connected Communities.
Equitable Systems.

We're on a Mission...

To ensure early childhood systems and supports foster equitable health, development, and well-being for all young children and their families in Santa Cruz County.

Our Values & Guiding Principles

Our work is guided by our overarching commitment to lead, invest in, and advocate for programs, policies, and systems that:



Promote optimal health, development, and well-being of the whole child and whole family:

We understand that young children’s social, emotional, physical, and cognitive development are interdependent, and that children grow and learn within their family relationships and the larger community.



Advance equity: We prioritize efforts that are responsive to the needs of our diverse community, have been shaped by community voice, and focus on eliminating disparities based on race, ethnicity, income, and other characteristics.



Create strategic impact: We invest our time and resources in areas that support our strategic priorities, show evidence of effectiveness, and ameliorate systemic inequities in society.



Leverage resources: We enhance and match Proposition 10 funds with federal, state, and private funds, in cooperation with public, nonprofit, and private partners.



Foster integration of services and systems: We co-design and co-implement strategies to reduce fragmentation of existing services, make services more accessible and comprehensive, and support shared decision-making and resource allocations among partners who rely on one another to succeed.



Build on strengths and build capacity: We identify and enhance existing community strengths and build organizational and systemwide capacity to influence meaningful changes in children’s policy for the future.



The Difference We Make

When Proposition 10 passed in 1998, California made a definitive and enduring commitment to promote the health and well-being of young children, prenatal through age five, and their families. For over 20 years, First 5 has had the great privilege and responsibility to serve as the steward of Prop 10 revenue, ensuring these public funds benefit young children and their families in Santa Cruz County.

Since its inception, First 5 has invested in many **innovative, effective programs and initiatives** that help:

- Ensure all children ages birth through age 5 have access to health insurance and preventive care;
- Increase protective factors and decrease child abuse and neglect;
- Improve access to affordable, quality early care and education for children ages birth – 5; and
- Build early language and literacy skills that are the foundation for future learning.

Proposition 10

In November 1998, California voters passed Proposition 10, the California Children and Families Act, which added a 50-cent per pack tax on cigarettes and tobacco products. The intent of Proposition 10 is to “facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development and to ensure that children are ready to enter school.”

Eighty percent of the tax revenue is disbursed to the 58 counties in California to promote the early health, learning, and family support for children from the prenatal stage through five years of age.

First 5 Santa Cruz Commission

The Commission consists of nine members authorized to administer and allocate Santa Cruz County’s Prop 10 funds. Commissioners represent county government, health, social services, early care and education, and communities across the county.



While our work supports all young children and their families in Santa Cruz County, we **prioritize serving the most vulnerable** among us including low-income families, English language learners, and families who live in communities with the highest need. We are proud of our track record of:

- **Serving children and families at scale:** In 2018-19, First 5 served 5,748 children ages 0-5 (unduplicated), representing 33% of all children age 0-5 in the county.
- **Serving a high percentage of Latino children and dual language learners:** Of the children served by First 5, 77% were Latino, and 49% spoke Spanish in their household. Of all Latino children ages 0-5 in Santa Cruz County, 51% participated in services provided or funded by First 5.
- **Serving children in the highest need areas:** Of the children served who had known ZIP codes, most (88%) lived in areas of the county that have the fewest resources tied to good outcomes and resilience for children born there. These areas include Watsonville, Freedom, Live Oak, and some areas in the city of Santa Cruz.



First 5 has also played a central role in **strengthening the early childhood system of care** by:

- **Leveraging** Prop 10 resources to create, strengthen, or fill gaps in service delivery systems;
- **Supporting** community initiatives, training, data sharing, community events, and capacity-building projects;
- **Implementing** and **evaluating** evidence-based and research-informed programs and practices;
- **Facilitating** collaboration among public, nonprofit, and private partners in order to connect siloed systems and services;
- **Serving** as the backbone for collective impact collaboratives, such as Quality Counts Santa Cruz County and Thrive by Three;
- **Advocating** for policies and budgets that prioritize early childhood; and
- **Convening** partners to implement local solutions to systems and policy changes initiated at the local, state, and federal levels.

Over the last 20 years, these service integration and systems building functions have become a cornerstone of First 5's strategy to create sustainable impacts. Systems building as a sustainability strategy has become increasingly important as Prop 10 revenue has steadily declined due to reductions in tobacco use, as intended by the original legislation.

The Early Childhood Landscape

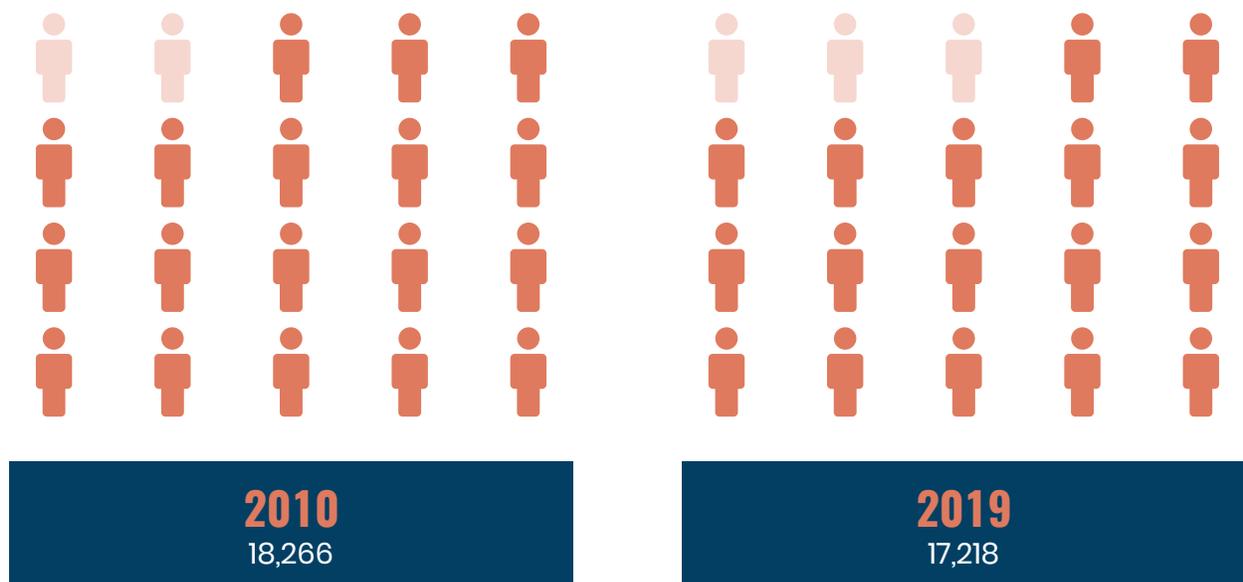
The landscape of early childhood programs, policies, revenue streams, and community conditions is filled with both challenges and opportunities and is likely to be impacted further by COVID-19. Key trends that informed this strategic planning process are described below.

Children and Families in Santa Cruz County

Located on California’s Central Coast, Santa Cruz County is home to 17,218 children ages 0-5, the majority of whom were either Latinx (51%) or White (42%). The number of children in the county ages 0 – 5 has declined nearly 6% since 2010.¹

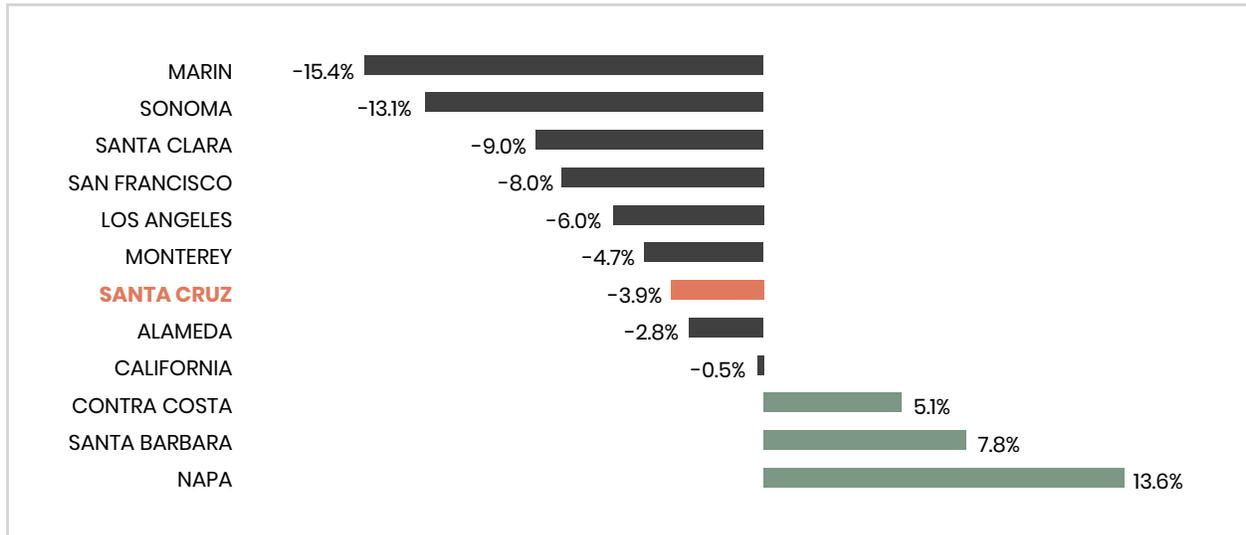


Number of children ages 0-5 in Santa Cruz County



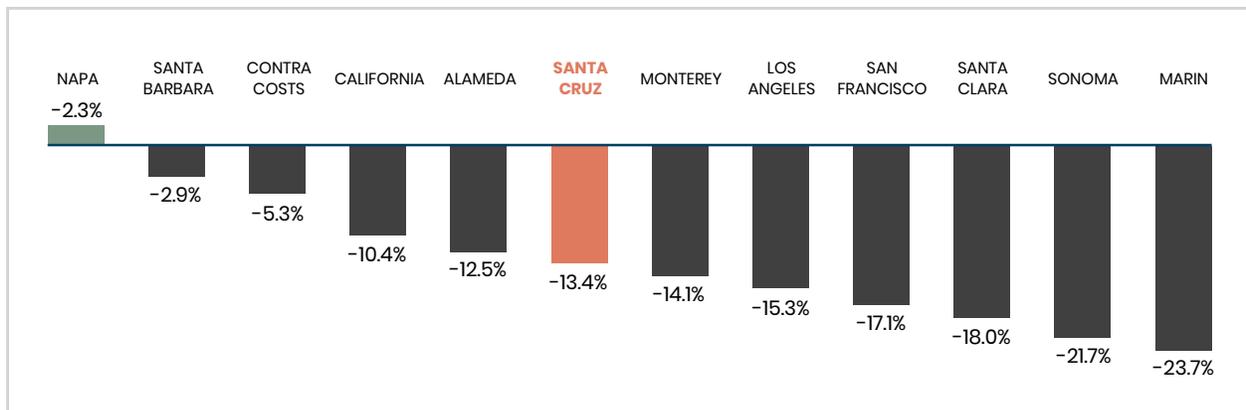
In addition, the birth rate in Santa Cruz County has been declining, and this trend is expected to continue. The California Department of Finance projects a 3.9% decline in the number of births in Santa Cruz County between 2018 and 2022.²

Estimated change in number of births (2018-2022)



In turn, the declining birth rate between 2018 – 2022 will contribute to a significant decrease in Prop 10 tobacco tax revenue—currently estimated at 13.4%—that First 5 anticipates receiving over the course of the 2020 – 2025 strategic plan.³

Estimated change in Prop 10 tobacco tax revenue FYs 2020/21 – 2024/25



Strengths & Positive Trends

While the declining birth rate and its impact on Prop 10 revenue is concerning, there are several community strengths and positive trends to build on, many of which have been supported by First 5's investments and initiatives.

9.2

Santa Cruz
County's Strong
Start Score

Many young children in Santa Cruz County are getting a **strong start** in life. Babies are born with an average of 9.2 “family assets” that promote resilience, such as a healthy birthweight, timely prenatal care, parental education level, and parents' ability to afford and access health care.⁴



In addition, young children have access to **vital health care** during the most critical period of their development.⁵

86%

of all mothers received **early prenatal care** in the first trimester

98%

of children (ages 0-5) have **health insurance**

92%

of children (ages 2-6) with Medi-Cal have **access to a primary care provider**

79%

of children (ages 3-6) with Medi-Cal received a **well-child visit**

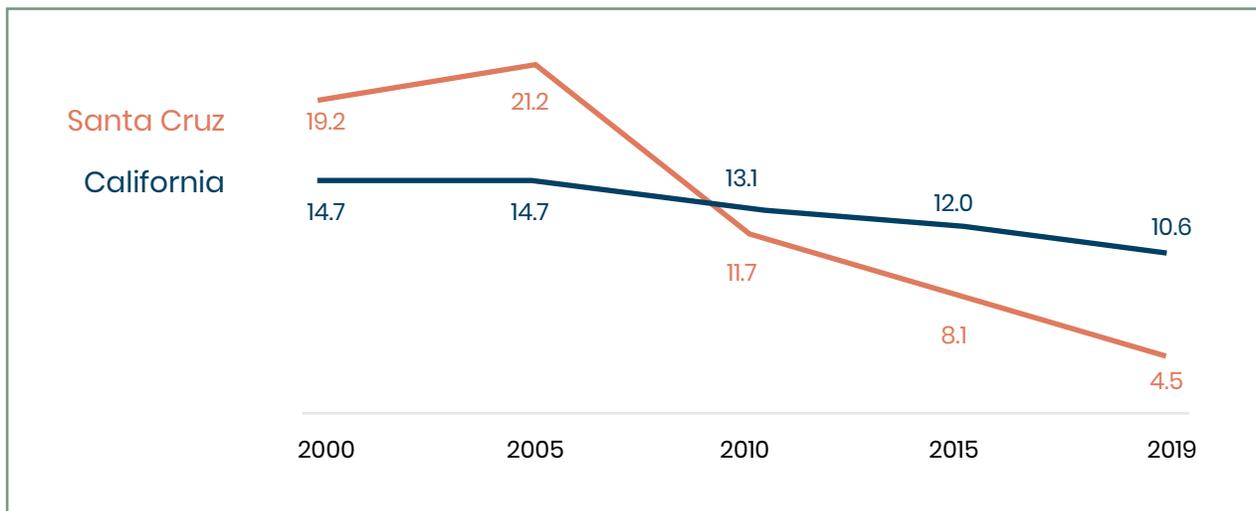


More young children in Santa Cruz County are getting **oral health care**, and the percentages have steadily increased over the past four years.⁶

<p>46% of children (ages 1-2) with Medi-Cal have been to the dentist in the last year</p>	<p>98% of children (ages 3-5) with Medi-Cal have been to the dentist in the last year</p>
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Overall, Santa Cruz County’s rate of substantiated **child abuse and neglect** among children ages 0-5 has continued to decline and remains well below the statewide rate.⁷

Substantiated Child Maltreatment by Age, Rate per 1,000 children in Santa Cruz County



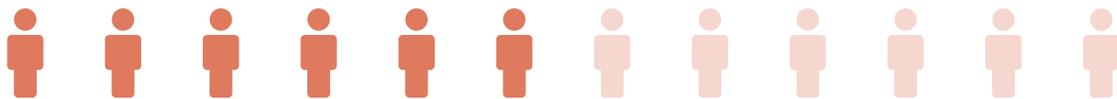


Challenges & Concerning Trends

But too many young children and their families are experiencing extreme stress and adversities that can have lifelong impacts on their health, education, well-being, and economic opportunities.

15%

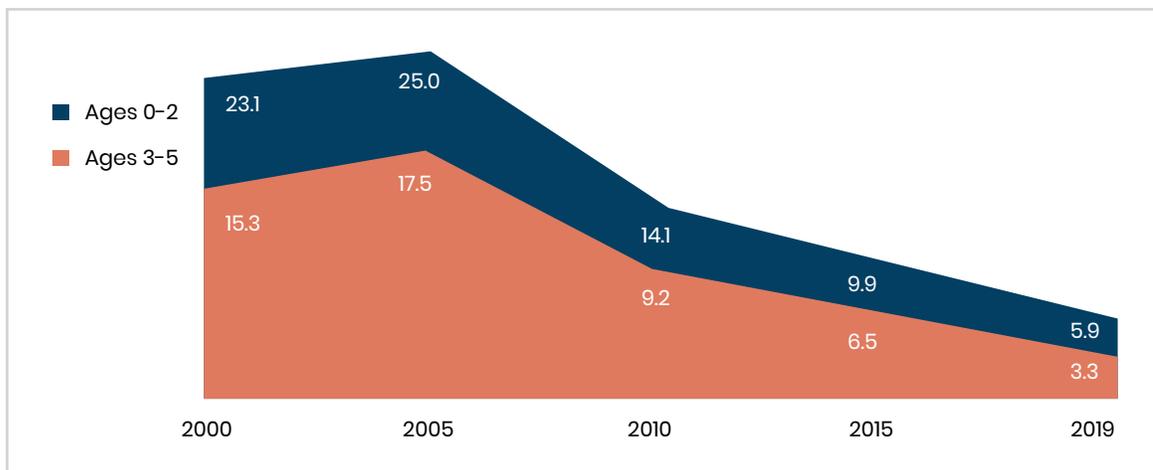
percent of children (ages 0-17) in Santa Cruz County have experienced two or more **adverse experiences** such as socioeconomic hardship, divorce or separation of parents, family violence, or parental incarceration.⁸



Nearly half of all children in the county under age 5 qualify for state subsidized child care, but **not all who are income-eligible are enrolled**. According to the 2017 California Early Learning Needs Assessment Report, only 16% of income-eligible infants and toddlers (0-2 years old) were enrolled in subsidized care in Santa Cruz County, and 45% of income-eligible preschool children (3- and 4-years old) were enrolled in subsidized programs.⁹ This is likely to be due to a combination of factors, such as the **high cost of child care and the shortage of available child care spaces**.

- These data illustrate the **child care access and affordability crisis** that existed prior to COVID-19, which has only been exacerbated by COVID-related business closures. The crisis will become an even more dire situation if the State reduces funding for child care. Many early care and education (ECE) programs and providers were financially vulnerable before COVID-19, as the ECE industry was still struggling to recover from severe state and federal budget cuts that were made during the Great Recession of 2008. Family child care home providers have been particularly impacted by the COVID-19-related business closures, and it may be economically unfeasible to resume providing care after the shelter in place orders are lifted, given the likely operational and financial impacts of meeting strict social distancing and health and safety guidelines. **Without a stable early care and education system, many families will struggle to re-enter the workforce** (increasing the risk for economic insecurity) or be forced to cobble together child care arrangements that may not provide safe, healthy, engaging learning environments and opportunities.
- Although the rate of substantiated **child abuse and neglect** is declining overall in the county, it remains **highest among the most vulnerable age group—** infants and toddlers— during a critical period of brain development.¹⁰

In addition, the rate of substantiated abuse and neglect may appear to decline during the time that shelter in place orders were in effect, but the data will need to be interpreted with extreme caution. Reports of suspected child abuse (and therefore substantiated cases) have declined during this period, but this is likely due to a dramatic decrease in contact between families with children and professionals who are mandated to report suspected child abuse and neglect, such as child care providers, teachers, and health care providers.



Santa Cruz County has the fourth highest child poverty rate in the state (23.8%), based on the 2015–17 California Poverty Measure (CPM), which factors in the cost of living and impact of public safety net benefits.¹³ This is a slight improvement over previous years, but is still too high. The CPM would be even higher without safety net benefits.

The child poverty rate is likely to increase due to the COVID-19-related closures and reductions of many businesses, including many child care programs. Although the social distancing and shelter in place orders were necessary to slow the spread of COVID-19, the economic shutdown exacerbated pre-existing economic vulnerabilities. Many of the jobs that were most immediately impacted by the COVID-19-related closures tended to be the lowest-paid jobs prior to COVID-19—janitors, housecleaners, child care providers, cashiers, food servers, and many other jobs in the hospitality, food service, retail, and personal care industries. These types of jobs typically provided annual incomes near or below the poverty line, forcing many individuals and families to live paycheck to paycheck, even before COVID-19 upended the economy.

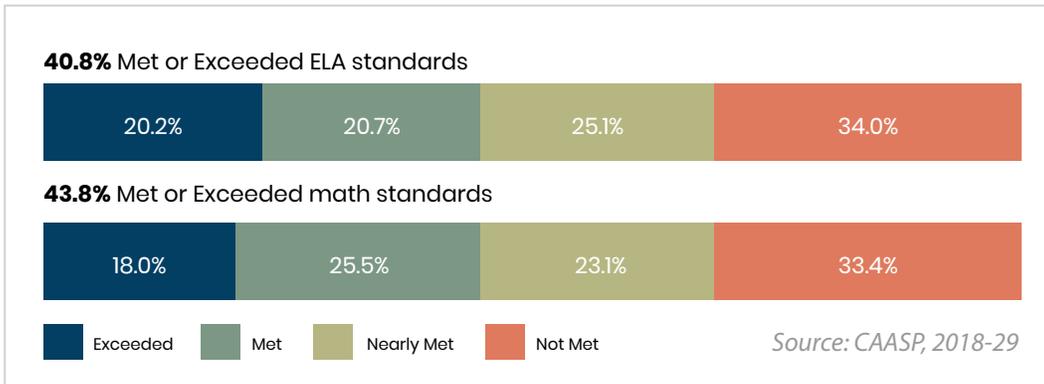
While local, state, and federal governments have provided various forms of economic aid to people and businesses, most are temporary measures that have not been available to all who need it. For example, undocumented immigrants—who often work in the industries that pay low wages and/or do not offer benefits to all workers—were excluded from receiving federal stimulus funds provided through the Coronavirus Aid, Relief, & Economic Security (CARES) Act. Although California established a \$125 million fund to support undocumented workers in California, the funds were limited and projected to support a small fraction of the estimated 2.8 million undocumented individuals in the State.

Local COVID-19 relief and response efforts have been mobilized quickly through the County of Santa Cruz, the Community Foundation Santa Cruz County, UndocuFund Monterey Bay, First 5, Santa Cruz County Office of Education, safety net clinics, and many other partners in the public, nonprofit, and private sectors. These efforts have helped fill the gap and meet families' immediate needs for food, shelter, health care, child care, diapers, baby formula, financial assistance, and access to technology for distance learning.

All of the local, state, and federal efforts have helped soften the immediate economic impact of COVID-19 for some community members, but it is too soon to know how economically vulnerable families will fare over the longer term. However, we do know that adverse experiences in early childhood—including going without access to healthy food, health care, and high quality child care—affect lifelong health, social, educational, and economic outcomes. Addressing the economic well-being of families with young children, particularly those who have been impacted the most by the global public health crisis, will be paramount as the community shifts from responding to COVID-19 to community recovery and resiliency.

- The percent of 3rd grade students who are **meeting or exceeding standards for English Language Arts and Math** is slowly increasing, but there is still much room for improvement across the county.¹¹

First 5 has monitored 3rd grade reading levels because of its relationship to measures of school readiness, but the COVID-19-related school closures and challenges with distance learning are likely to have an impact on the availability and applicability of the data for at least the near future.



- In addition, more work is needed to eliminate the differences in 3rd grade educational outcomes based on economic status, ethnicity, and other student demographics.¹² **The work to close and prevent these inequities begins in early childhood systems that provide comprehensive, two-generation health, education, social, and economic supports for families with young children.** These data, and particularly the differences by economic status and race and ethnicity, are also likely to become starker as a result of the disruptions to teaching and barriers to learning during the coronavirus crisis.

Student Group (3 rd Grade)	% Met or Exceeded ELA Standard	% Met or Exceeded Math Standard
All Students	40.8%	43.5%
Economically Disadvantaged	26.2%	29.4%
Not Economically Disadvantaged	61.2%	63.1%
Hispanic or Latino	25.5%	29.5%
American Indian or Alaska Native	41.7%	33.3%
Black or African American	46.4%	35.7%
White	63.5%	64.0%
Asian	75.5%	73.0%

What Happens in the First 5 Years Affects Us All

This high-level scan of the early childhood landscape in Santa Cruz County reaffirms that even though Prop 10 revenue is declining, **investing in the first 5 years remains as critical as ever**. Time and time again, scientists and economists, such as Nobel Laureate James Heckman, have proven that investing in early childhood pays off, and the earlier the investment, the greater the return. This is consistent with decades of neuroscience research showing that 90% of a child’s brain development happens before age 5, which means a child’s relationships, experiences, and environments in the earliest years matter profoundly. In fact, **supporting the early years can change the trajectory of a lifetime—and a society**.

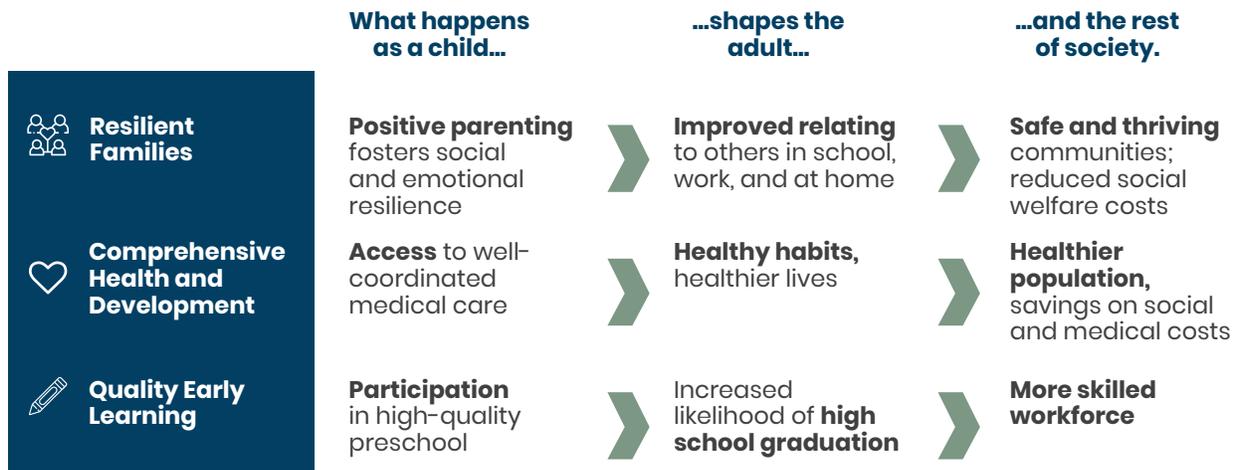
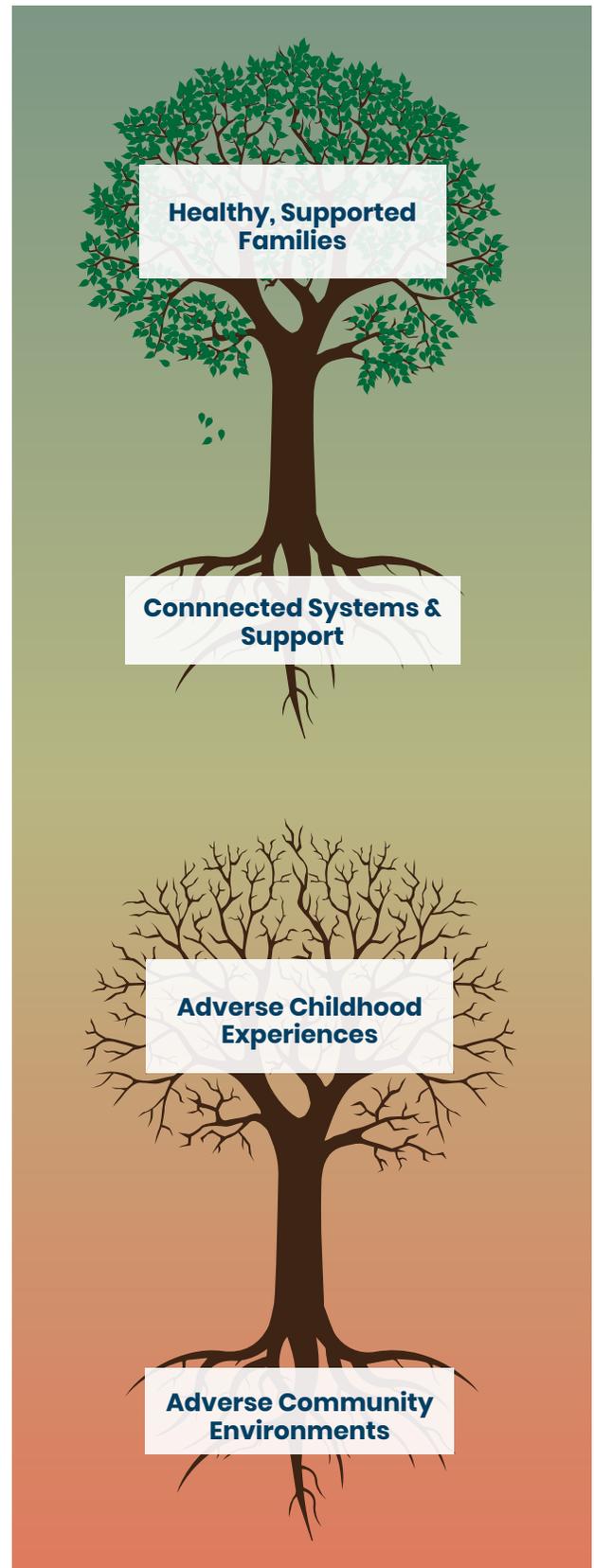


Image Credit: First 5 Association of California. (2018). Building a Network Strategy for First 5.

The notion that **“the first 5 years affect us all”** is especially important, given the reality that not all young children have the same opportunities that put them on a trajectory to future health and well-being. It is becoming more widely understood that chronic exposure to Adverse Childhood Experiences (abuse and neglect, parental mental illness and substance abuse, or family violence) can disrupt healthy brain development, creating lifelong negative impacts on learning, behavior and health. As the number of adverse experiences in a child’s life increases, so does the risk for developmental delays, behavioral problems, low educational attainment, lower wages in adulthood, and poor health outcomes later in life, such as heart disease, diabetes, substance abuse and depression. The cumulative effects of adversity, stress, and trauma are even greater for children who lack stable, nurturing relationships with their parents and primary caregivers.

Children of color and children living in poverty are more likely to experience adverse health, education, social, and economic outcomes than children who are White or not living in poverty. However, the patterns of disparities in outcomes must not be attributed to individual children’s capabilities, families’ level of motivation, or perceived “deficits” of cultural groups. Instead, they must be recognized as a product of systemic inequities—the legacy of policies and practices across housing, banking, criminal justice, public education, and other systems that were designed to create and uphold unequal access to resources and opportunities in our society, primarily based on racial categories. These systemic inequities have created adverse community environments, in which young children and families continue to live, learn, work, and play.

The Center for Community Resilience offers The Pair of ACEs as a framework for understanding and addressing Adverse Childhood Experiences in the context of Adverse Community Environments.¹⁴ The Center likens Adverse Childhood Experiences to the leaves of a tree that will show visible signs of vulnerability and illness if the roots of the tree are growing in toxic soil, or Adverse Community Environments that are characterized by discrimination, racism, and lack of opportunity, economic mobility, and social capital. “Childhood adversity or trauma such as abuse and neglect, parental substance abuse and incarceration, oftentimes are rooted in community environments lacking equity as measured by concentrated poverty, poor housing conditions, higher risk to violence and victimization, and homelessness. These inequitable community conditions provide little access to support or buffers that support resilience.”¹⁵



As First 5 and other partners transition from responding to the COVID-19 crisis to community recovery and rebuilding, it will be even more critical to adopt and advocate for **two-generation approaches** that ameliorate systemic inequities and address multiple aspects of health, development, and well-being for the whole child, within the whole family. Creating connected systems and supports is essential to revitalizing “the soil” that will foster healthy, supported children and families.

The good news is that we already know what types of strategies are effective and yield a high return. For example:

- James Heckman and his research team have demonstrated that **comprehensive, high quality birth-to-five programs** produce better education, health, social, and economic outcomes for both children and parents, particularly among families earning less income. Calculating the two-generation benefits demonstrated that high quality birth-to-five programs can deliver a **13% return on investment**.¹⁶



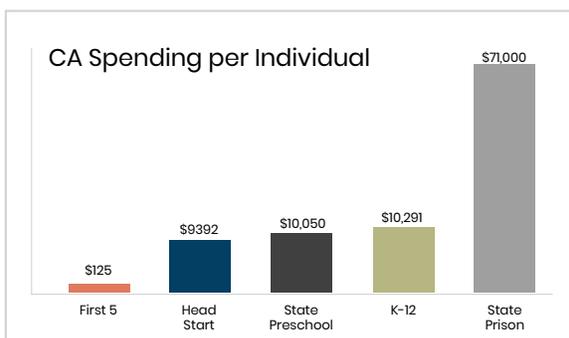
Source: <https://heckmanequation.org>

- New results from the longitudinal study of the Perry Preschool model also demonstrate long-term, **multi-generational positive impacts** on the children who attended the Perry Preschool, as well as their children.¹⁷
- For every dollar invested, home visiting programs that help families with child health and development, positive parenting, and accessing resources can yield a return of nearly six dollars.¹⁸
- Evidence-based parenting programs, such as the **Triple P – Positive Parenting Program**, strengthen family relationships and promote healthy development and have been shown to improve parent and child outcomes, as well as population-level outcomes (e.g., improved child welfare outcomes).¹⁹



Strengthening the Early Childhood System of Care

Despite the volume of evidence on the importance of investing in the first five years, the policies, funding, and systems that directly affect the lives of young children and their families still haven't caught up to the science. Historically, funding for early childhood has been marginal in local, state, and federal budgets, particularly dollars allocated through First 5s, as illustrated in the figure below, which compares California's spending per individual for state prisons, K-12 education, State preschool, Head Start, and First 5s.²⁰



Source: First 5 Association

In addition, elements of the early childhood system exist, but funding streams and eligibility requirements for health, early learning, economic supports, parenting support, and other vital services are siloed and complicated at the local, state, and federal levels, creating access barriers for local families.

Fortunately, **the tides have begun to change** after decades of research, education, and advocacy from parent leaders and organizations, including First 5s. Although state and local budgets are precarious due to the economic impact of COVID-19, there are signs of strong public and political will to invest in young children and their families—perhaps even more so after witnessing the devastating effect of COVID-19 on the child care industry and the ripple effects on working parents, businesses, and the larger economy.

Key findings from national opinion research conducted by FM3 Research²¹ at the height of the COVID-19 crisis point to emerging themes that will be important to explore further at the local and state levels, including:

- Voters expressed a heightened sense of urgency to address concerns that affected children and families prior to COVID-19 and have been exacerbated by the pandemic and associated shelter in place orders, particularly access to affordable housing, health and safety programs, and parks and recreation;
- Expanding early care and education (ECE) was ranked as a top priority, on par with strengthening the economy;
- The importance of investing in ECE largely cut across partisan lines, and more than seven-in-ten people polled stated that increasing the availability of high-quality ECE was an urgent priority. Voters of color, particularly Black voters, viewed this as a particularly urgent issue;
- There was strong support for and appreciation of essential workers – many of whom are parents and in need of additional support, including child care.

Locally, First 5 has been a leader, convener, advocate, and collaborator in collective impact initiatives that are creating **structural support for the early childhood system**, including:

- **Collective of Results and Evidence-based (CORE) Investments:** CORE Investments is both a funding model and a broader movement to **create the conditions for equitable health and well-being** across the life span, prenatal through end of life. While not limited to the well-being of young children and families, CORE has emerged as a substantial and critical initiative designed to help create the type of equitable, integrated services and systems originally envisioned by the authors of Prop 10. First 5 serves on the CORE Steering Committee, helping guide the project through a multi-phase, collaborative planning process, which has resulted in defining eight interdependent “CORE Conditions for Health and Well-being.”



The CORE Conditions represent vital aspects of health and well-being where equitable opportunities must exist in order for individuals, families, and communities to achieve equitable outcomes. When applied to a systems of care approach, the interconnected conditions represent essential sectors and services in an integrated early childhood system of care. First 5’s investments and partnerships focus on enhancing outcomes in specific CORE Conditions—e.g., Health & Wellness of young children and families, Lifelong Learning & Education, and Thriving Families— as well as strengthening the linkages between programs and systems partners that address multiple CORE Conditions.

- **Thrive by Three:** In January of 2017, the Santa Cruz County Board of Supervisors approved Supervisor Ryan Coonerty’s request to establish the Thrive by Three Early Childhood Fund. Thrive by Three was established to **invest in the earliest years of childhood, support evidence-based two-generation approaches, and develop an integrated and comprehensive prenatal – 3 system of care** that achieves these outcomes:

- Babies are born healthy
- Families have the resources they need to support children’s optimal development
- Young children live in safe, nurturing families
- Children are happy, healthy, and thriving by age 3



Using a systems of care approach, Thrive by Three partners representing home visiting, health care, early care and education, County Health and Human Services, and City government have leveraged resources, increased capacity and coordination, implemented innovative approaches, and supported local and state policies that address and link the CORE Conditions for Health & Well-being for young children and their families. First 5 provides backbone support for this initiative, coordinating the Thrive by Three Advisory Committee, administering the Early Learning Scholarship program, and overseeing the initiative’s evaluation. In the coming year, the Thrive by Three Advisory Committee and Leadership Team will work with First 5 on expanding the Thrive by Three framework to “Thrive by Five,” in order to create greater alignment with other existing early childhood systems and initiatives that focus on the first 5 years of life.



- **Live Oak Cradle to Career:** The Live Oak Cradle to Career (C2C) initiative has grown from a nascent idea in 2013, championed by Supervisor John Leopold, to a vibrant results-based collaboration between Live Oak parents and local education, health, and social services leaders. C2C focuses on four parent-identified goals, **1) Good Education, 2) Good Health, 3) Good Character, and 4) Community Engagement.** The initiative has flourished within a governance structure that includes a Parent Leadership Committee, Steering Committee, Data Committee, and other working groups that are each populated by parent and community leaders working in partnership for the betterment of the Live Oak community and its residents. First 5 has served on the Steering Committee since C2C’s inception and supported C2C’s goals by offering How to Raise a Reader and Triple P parenting workshops as well as financial support and translation services for the initiative.
- **Central Coast Early Childhood Advocacy Network:** Building on a series of successful legislative visits and policy wins for early childhood in 2017, First 5 Santa Cruz joined forces with First 5 Monterey and San Benito to help form the tri-county Central Coast Early Childhood Advocacy Network (CCECAN). Representing over 94,000 children ages 0–8 in the three counties, CCECAN is a collaboration of organizations and parent leaders who are committed to supporting thriving children and families by **strengthening and advocating for policies and systems change at the state and local level.** First 5 provides leadership and resources to support the CCECAN’s work as an active member of the Planning Group and broader Network.

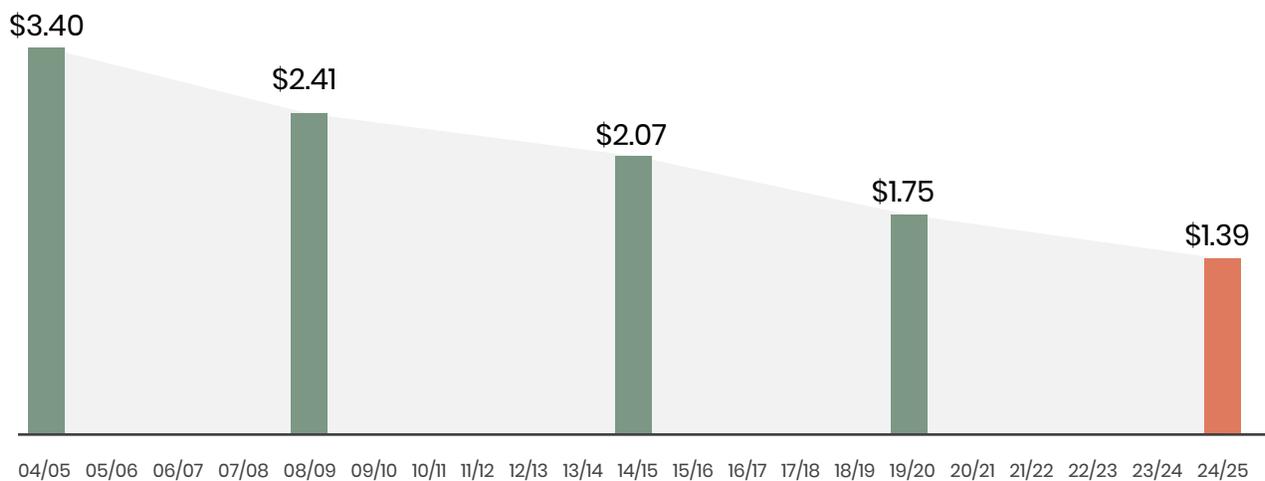
First 5’s Long-Term Financial Plan

The Long-Term Financial Plan (LTFP) is an integral part of the Commission’s strategic plan, as it outlines the working assumptions and fiscal scenarios that will impact the implementation of this strategic plan.

Revenue Trends

First 5’s principal source of revenue, the **Proposition 10 tobacco tax**, continues to decline due to the steady drop in tobacco consumption over the last two decades. As shown in the chart below, our annual Prop 10 revenue is now 27% lower than what it was a decade ago and down 48% from \$3.4 million in FY 04/05. Prop 10 revenue for the state overall is projected to decline 10% from FY 20/21 to 24/25. Santa Cruz County’s revenue is anticipated to decrease 13%, due to the combined effect of decreased tobacco consumption and the declining birth rate in the County.²²

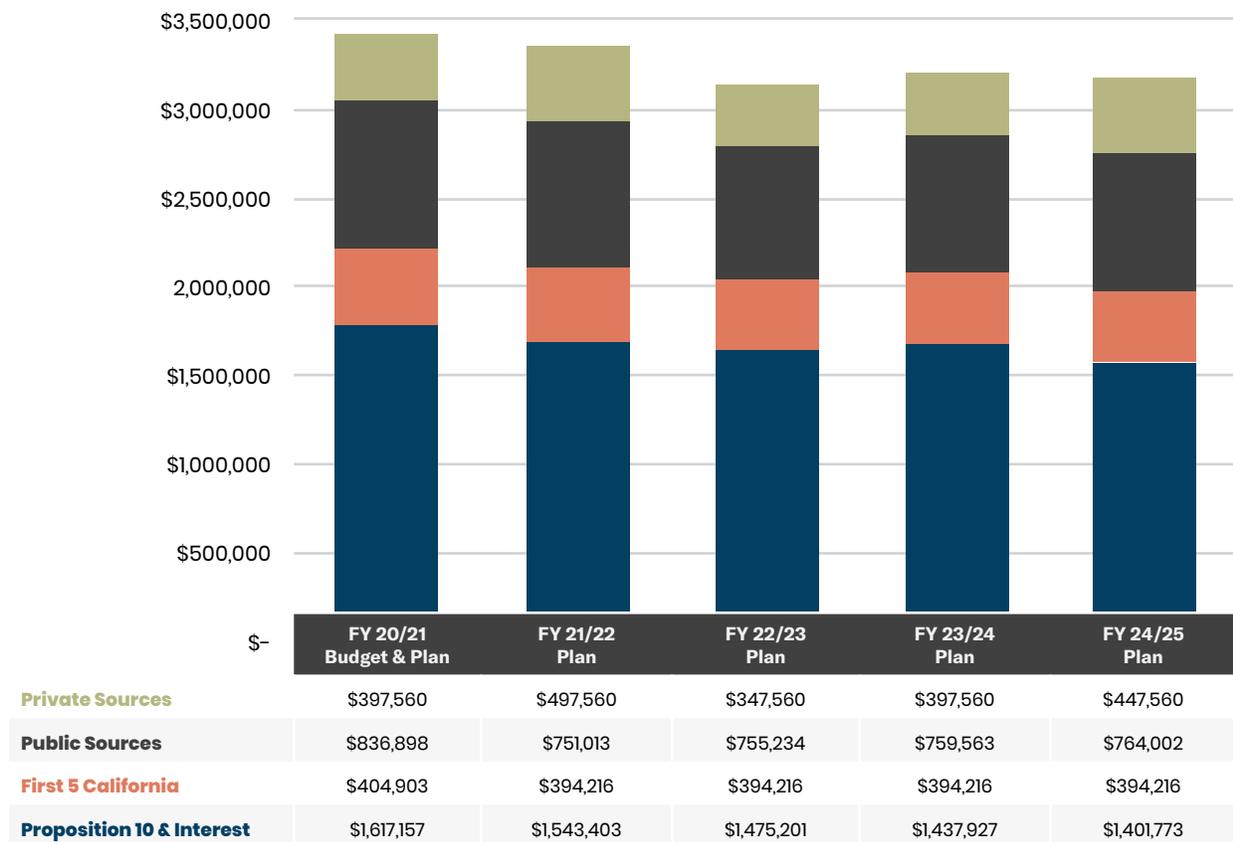
Proposition 10 Revenue: Actuals & Projected (2004 – 2025)



In addition, First 5 has now largely exhausted the **fund balance** that accumulated in its earliest years. The strategic use of the fund balance allowed First 5 to minimize the degree of funding reductions over the last several years, but now First 5’s expenditures will be limited to its annual Prop 10 allocation and any external funding that has been secured. First 5 has benefitted greatly from **external funding** from multiple sources over the past 20 years, including First 5 California, the California Department of Education, the David & Lucile Packard Foundation, Monterey Peninsula Foundation, Sunlight Giving Foundation, as well as local and regional foundations and health and hospital systems.

The following chart summarizes First 5’s projected revenues by funding source during the 2020 – 2025 strategic plan. Projections are based on information known at this time, and will be updated annually.

First 5 Santa Cruz County: Projected Revenue by Funding Source, 2020 – 2025



Sustainability Plan

Sustaining First 5’s investments in the health, development, and well-being of young children and families remains a priority for the Commission. At the same time, our fiscal reality requires us to continuously assess our investment approaches, adapt to changing needs, and implement creative solutions with our available resources. This means we will enhance our focus on policy and systems change as a sustainability strategy, while also evolving our approach to investing in direct service programming. As we look to the future, we will continue to work with other county leaders and partners to proactively pursue new opportunities to obtain or leverage resources that help build and strengthen an equitable early childhood system in Santa Cruz County. Our collaborative efforts and opportunities will include:

- Joining our state association in advocating for expanded funds for children and families in annual state budgets, including additional state funds to support First 5’s activities;
- Partnering with Santa Cruz County agencies in leveraging state and local funds for prevention and early intervention activities in health and social services, such as Medi-Cal, Mental Health Services Act, child welfare and other revenue streams;
- Seeking out additional private sector partners in business and philanthropy who see the worth of First 5 and the benefit it provides to communities across the county; and
- Advocating for new dedicated local revenues either by fees, taxes or by other sources, such as cannabis, that could sustain First 5 in the long term.

Our Strategic Roadmap

As local and state leaders begin the long road to recovery from COVID-19 and reimagine, rethink, and redesign the early childhood system, First 5 Santa Cruz County is prepared to continue, and even deepen, its roles as a **convener, advocate, strategic advisor, and systems builder**. This will be especially important as the First 5 Commission, other public and private funders, and local, state, and federal policymakers grapple with the economic fallout of COVID-19 and make difficult decisions about balancing budgets.

The strategic roadmap outlined below provides a broad framework for prioritizing First 5’s efforts and investments over the next five years. It will be a living, dynamic tool, that will help First 5 navigate the ever-changing funding and policy landscape in partnership with county agencies, community-based organizations, elected officials, families, caregivers, and other community members who share our vision of Healthy, Happy, and Well-prepared Children, Thriving Families, Connected Communities, and Equitable Systems.

Given the current economic uncertainty, our strategic roadmap for 2020 – 2025 focuses on broad priorities and strategies. This strategic roadmap does not name specific programs that First 5 will fund or support, in order to provide the greatest degree of flexibility and ability to adapt to changing conditions and circumstances over the next five years. However, the desired results and strategies in each priority are designed to maintain our focus on integrating, maintaining, and enhancing (whenever possible) our core services and the broader systems serving young children in the county. As the economic impact of COVID-19 on public and private funding streams becomes more defined, First 5 will update its Long-Term Financial Plan and Strategic Plan accordingly.

Strategic Priorities

 <p>Healthy Children</p>	<ul style="list-style-type: none"> ✓ Increased access to affordable quality health care for children 0-5 ✓ Increased use of preventive health care ✓ Improved maternal, infant, and child health
 <p>Early Care and Education</p>	<ul style="list-style-type: none"> ✓ Increased access to affordable, high quality early care and education ✓ Increased early learning and school readiness skills (developmental, social-emotional, cognitive) ✓ Increased stability and sustainability of the early care and education (ECE) system
 <p>Thriving Families</p>	<ul style="list-style-type: none"> ✓ Increased resilience of young children and their families ✓ Improved parenting practices and parent-child relationships ✓ Increased “social capital” (relationships and connections) of young children and their families ✓ Decreased child abuse and neglect
 <p>Equitable, Sustainable Early Childhood System</p>	<ul style="list-style-type: none"> ✓ Increased coordination and integration among organizations and sectors serving young children and families ✓ Increase in local, state, and federal policies and legislation that prioritize prevention, early intervention, and equity for young children and their families ✓ Increase in local, state, and federal funding to sustain and institutionalize investments in the early childhood system of care

Key Strategies

First 5 will implement a suite of key strategies in each of the priority areas to contribute to achieving the desired results across the community, with a particular focus on ensuring the early childhood system is responsive to children and families who are most impacted by adversity and systemic inequities. Specific activities and investments may shift each year, especially as the impact of COVID-19 on state and local funding streams becomes apparent, but we will stay true to First 5’s vision, mission, values, and strategic priorities articulated in this plan.

To create and sustain a meaningful impact, First 5 will:

Sustain direct investments, to the greatest extent possible, in First 5-led programs and initiatives that are grounded in research and best practices, are essential building blocks of the early childhood system of care, and advance health, education, social, and economic equity

Strengthen internal coordination and integration of First 5’s programs and activities to maximize the reach, effectiveness, and impact of our investments

Initiate and/or support agile, rapid responses to immediate needs, gaps, and barriers

Coordinate the strategic deployment of resources for young children and families

Strengthen partnerships with public and nonprofit agencies to leverage local and state funds for prevention and early intervention services

Build relationships with the private sector and philanthropy to co-invest in shared goals

Provide backbone support for countywide collective impact and collaborative initiatives

Convene and engage partners in longer-term planning, policy advocacy, systems change

Conduct policy analysis and advocacy

Provide early childhood subject matter expertise for partners and policymakers (e.g., literature reviews, white papers, testimonials for grants, policy proposals, and legislation)

Advocate for local, state, and federal funding and legislation that will leverage, expand, and sustain countywide investments in the early childhood system

Provide technical expertise and assistance to enhance professional learning, capacity-building, continuous quality improvement, innovation, and impact in the early childhood system of care

Build local capacity for data and evaluation in early childhood systems (e.g., provide technical assistance on collecting, analyzing, and communicating qualitative and quantitative data for outreach, advocacy, fund development, planning, continuous improvement, and evaluation)



First 5’s anticipated annual investments in each priority area, as well as Administration, Program, and Evaluation expenditures, are summarized in the chart below, which will be reviewed and modified as needed each year.

Anticipated Annual Investments by Priority Area (with Revenue and Fund Balance)

Revenue Sources	FY 19/20 Budget	FY 20/21 Budget & Plan	FY 21/22 Plan	FY 22/23 Plan	FY 23/24 Plan	FY 24/25 Plan
Proposition 10 & Interest	\$1,763,543	\$1,617,157	\$1,543,403	\$1,475,201	\$1,437,927	\$1,401,773
First 5 California	\$628,682	\$404,903	\$394,216	\$394,216	\$394,216	\$394,216
Public Sources	\$755,918	\$836,898	\$751,013	\$755,234	\$759,563	\$764,002
Private Sources	\$244,936	\$397,560	\$496,560	\$347,560	\$397,560	\$447,560
Total Revenue	\$3,393,079	\$3,256,518	\$3,186,192	\$2,972,211	\$2,989,266	\$3,007,552
Uses						
Administration	\$237,515	\$237,515	\$278,949	\$279,949	\$286,576	\$286,576
Program	\$265,517	\$344,299	\$353,648	\$353,648	\$363,277	\$363,277
Evaluation	\$101,353	\$101,353	\$104,226	\$104,226	\$107,186	\$107,186
Healthy Children	\$386,193	\$386,193	\$394,518	\$390,243	\$394,757	\$390,899
Early Care & Education	\$1,537,681	\$844,213	\$796,941	\$744,079	\$740,867	\$729,976
Thriving Families	\$967,629	\$1,017,629	\$1,017,629	\$977,187	\$938,767	\$903,480
Early Childhood System	\$302,658	\$322,484	\$268,680	\$268,680	\$268,936	\$268,936
Total Uses	\$3,834,546	\$3,298,687	\$3,215,592	\$3,118,013	\$3,100,366	\$3,050,330
Surplus Deficit	\$(441,468)	\$(33,169)	\$(29,400)	\$(145,802)	\$(111,100)	\$(42,778)
Fund Balance	\$1,049,158	\$607,690	\$574,521	\$545,121	\$399,319	\$288,220
Fund Balance End	\$607,690	\$574,521	\$545,121	\$399,319	\$288,220	\$245,441



Looking to the Future

By the end of our 2020 – 2025 strategic plan, First 5 Santa Cruz County will have been in existence for over 25 years. During that time, our investments in the early childhood system will have helped thousands of Santa Cruz County's youngest children be healthy, happy, ready for school, and on the path to success in life. While improving outcomes for children and families is at the core of our mission, we believe our true legacy will be the strengthened partnerships, improved systems, and sustainable funding streams that will support the health and well-being of our community's children and families for generations to come. We look forward to realizing this aspirational vision in partnership with families, our agency partners, our staff, and Commissioners.

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