

Agenda Report

TO: CITY COUNCIL

DATE: February 16, 1999

FROM: CYNTHIA J. KURTZ, CITY MANAGER

SUBJECT: SUPPORT OF BILL TO AMEND PROPOSITION 10, THE CALIFORNIA CHILDREN'S AND FAMILIES FIRST ACT, TO INCLUDE LANGUAGE NAMING CITIES WITH HEALTH DEPARTMENTS AS AUTHORIZED ADMINISTRATIVE ENTITIES AND RECIPIENTS OF PROPOSITION 10 FUNDING

RECOMMENDATION:

It is recommended that the City Council:

- (1) Support the passage of legislation amending Proposition 10, the California Children and Families First Act, to apply to all authorized local health jurisdictions, thus authorizing all city/county jurisdictions to be eligible to administer the California Children and Families First Program and receive a proportional share of funds; and
- (2) Authorize the Mayor to send letters to the appropriate officials stating Pasadena's support for the bill.

BACKGROUND:

In November 1998, California voters approved Proposition 10, the California Children and Families First Act ("Act"). Proposition 10 will add a 50-cent surtax to each package of cigarettes sold in California and increase existing excise tax on other tobacco products by the equivalent of a 50 cent per pack increase. The revenue will be placed in a new special fund, the Children and Families First Trust Fund to support the creation of state and local programs organized to improve early childhood development through establishing and coordinating community-based activities such as child nurturing and child care, parental education and family support training, and health education, preventive services and care. The initiative is designed to promote comprehensive, collaborative, and integrated systems of information and services to promote, support and optimize early childhood development (including social, emotional, intellectual, and physical growth) from the prenatal stage to five years. Legislative analysis estimates that Proposition 10 will generate about \$400 million for half of fiscal year 1998-99 and about \$750 million for fiscal year 1999-00. Revenues in subsequent years are estimated to decline, as smoking continues to decrease and out-of-state sales increase.

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Proposition 10 funds will be allocated to a state commission (20%) and to county commissions (80%). Composition of these commissions is stipulated within the legislation. The state commission (the "California Children and Families First Commission"), appointed by the Governor will facilitate the implementation of the Act through statewide dissemination of public information and educational materials, adopting guidelines for an integrated and comprehensive statewide program, defining results and evaluation tools, providing for independent research and technical assistance, reviewing audits and summarizing results, and other actions to further a statewide program of early childhood development. The county commissions, appointed by the Boards of Supervisors by county ordinance, must also meet specific criteria in membership, organization, and functions. Any county that develops, adopts, promotes and implements local early childhood development programs consistent with the goal and objectives of Proposition 10 shall receive funds annually based proportionately upon the number of births recorded in that county if the county satisfies several requirements, including the development of a strategic plan for the support and improvement of early childhood development in the county consistent with the Proposition 10 guidelines.

There are several aspects of the California Children and Families First Act that relate to local health departments directly. First, a sizable proportion of the services that are required as part of the strategic plans are services provided by health departments. These include prenatal and postnatal infant care; child abuse prevention; avoidance of tobacco, drugs and alcohol during pregnancy; domestic violence prevention; tobacco and other substance abuse control and treatment; and child health care services, including prevention and diagnostic screenings, treatment not covered by other programs, immunizations, nutrition, and treatment of tobacco and other substance abuse. Second, one of the five required appointments to the county commissions is required to be the health officer. Third, the legislation stipulates that if there is a reduction in Proposition 99 funds as a direct result from the tobacco tax increase arising from Proposition 10, funds shall be transferred from the California Children and Families First Trust Fund to those affected Proposition 99-funded programs as necessary to offset the revenue decrease.

In its current form, the Proposition 10 legislation earmarks funds and responsibilities to County jurisdictions only. Because this Act is placed within the State Health and Safety Code, local health departments are assuming responsibility for organizing and administering the implementation of the legislation. Los Angeles County is allocated \$176 million through June 30, 2000 based on the number of 1997 reported live births. Pasadena represents about 3% of LA County's 1997 live births and would be eligible for approximately \$5 million, if recognized to receive funds. The California Children and Families First Act, however, fails to include cities with local health departments as recipients of their proportionate share of Proposition 10 funds. As a result, the cities of Pasadena, Long Beach and Berkeley, which are authorized local health jurisdictions do not have direct access to a share of the funding and the responsibility for community-based planning. Pasadena would benefit from direct funding to engage in local planning, development and implementation of early childhood development activities unique to this community's assets and needs. There is no guaranteed mechanism for funds to flow from the counties to the three cities, nor that funds will be provided to these cities for the public health services required by the Act that they provide. Leadership from all three city health jurisdictions is needed to support the passage of an amendment to Proposition 10 that would give the city health departments a proportionate share of the funds. Los Angeles County Health Department is supportive of this effort as are members of the Pasadena community.

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A bill has been prepared by staff for Assemblyman Jack Scott and the bill has been drafted and submitted by legislative counsel. A bill number should be assigned shortly. If the bill is passed, an ordinance will be required to establish a local Children and Families First Commission to carry out the prescribed activities.

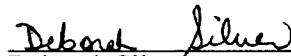
FISCAL IMPACT:

Passage of this legislation could result in \$5 million in revenues through June 30, 2000 and slightly declining amounts thereafter to Pasadena to fund the development of a local Children and Families First Commission and its implementation of comprehensive, collaborative services to optimize early childhood development.

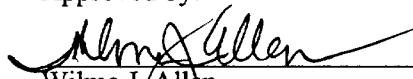
Respectfully submitted,


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