



County of Santa Cruz

BOARD OF SUPERVISORS

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Meeting Date: January 24, 2017
Date: January 18, 2017
To: The Board of Supervisors
From: Ryan Coonerty, Third District Supervisor, Zach Friend, Second District Supervisor
Subject: ESTABLISHING THRIVE BY THREE: A FUND SUPPORTING SANTA CRUZ COUNTY'S YOUNGEST CHILDREN

Dear Members of the Board:

Experts agree that the first few years of a child's life have incredibly important and long term effects on his or her health outcomes, educational attainment, and success as an adult. Decades of research document these conclusions. Programs serving this very young (prenatal to age 3) population not only provide benefits to the children served but reduce public costs over the long term by improving life outcomes related to health, education, employment, and crime. Nobel Laureate in Economics James Heckman has found that high quality early childhood development programs for disadvantaged children can deliver a 13% per child, per year return on investment through better outcomes in education, health, social behaviors and employment, reducing taxpayer costs down the line and preparing the country's workforce for a competitive future. In the Community Programs context, Santa Cruz County spends approximately .03% of our general fund dollars (approximately 3.8% of community programs funding) on these children in their most critical years. We must do more to protect at-risk babies and toddlers in our community.

During our last budget hearings, the Board supported a program that has proven, remarkable results in other states and elsewhere in California. The Nurse-Family Partnership (NFP) program provides trusted, specially trained public health nurses to visit low-income, first-time parents from pregnancy until the toddler turns 2 years old. In addition to a limited amount of County funding, other agencies are providing the necessary funds to get the program off the ground in our County. The County's new NFP program has sufficient funding to serve 100 low-income, first-time moms and their babies, and we look forward to the day when we can offer these services to all of the low-income first-time moms in our community. In 2014 there were over 600 births to first-time moms living in poverty in our County, so the need is great.

For NFP, as well as other worthwhile programs serving young children, to have breakthrough outcomes, substantial additional funding is needed over an extended period of time. To provide equity, opportunity and health, we believe this Board must make a serious commitment of funds and programming to improve the lives of the next generation of Santa Cruz County.

Other counties have already made similar commitments:

- San Mateo County is implementing “The Big Lift,” a collective impact initiative to close the achievement gap and improve third-grade reading proficiency. The Big Lift receives approximately \$10 million per year from Measure A tax revenue (1/2 cent sales tax approved by voter initiative in 2012) and \$7.5 million from the Social Innovation Fund (a program of the Corporation for National and Community Service).
- San Francisco became the first community in the nation to guarantee funding for children’s services by amending the city charter and creating a dedicated Children’s Fund in 1991. A 4% local property tax generates approximately \$70 million annually, which funds a wide array of early childhood and youth development services.
- The City of Oakland established the Oakland Fund for Children and Youth (OFCY) in 1996 when voters passed the Kids First! Initiative. The measure amended the City Charter to allocate a portion of the unrestricted General Fund for children’s services. In 2009, voters reauthorized funding through 2022, specifying a 3% set-aside of General Funds for the OFCY (approximately \$14 million per year).

As you can see, each of these voter approved dedicated children’s funding streams supports a different age range from 0-8 to 0-21. Based on the evidence of the positive impacts of upstream investments in the earliest years, we are recommending that our Board take a first step in the same direction of these counties by expressing its intention to make a similar long term commitment to NFP and other programs for young children by establishing a Thrive by Three Fund dedicated to supporting Santa Cruz County’s youngest children. This Fund should be incorporated into the 2017-18 budget with a first year dedication of \$350,000. These funds should not substitute for existing commitments to vulnerable populations but should represent a new and increased General Fund allocation for programs, including NFP, to assist this population. In addition, our goal would be to see increases to the Fund as new resources become available and we would work to use these funds to leverage additional state, federal and private funding wherever possible.

The attached preliminary report entitled “Thrive by Three” includes local and national data about the risk factors that could pose lifelong threats to children’s health and well-being. Drawing on data and the expertise of professionals who work in the areas of children’s health, education, child care and others, the document highlights opportunities to make targeted and effective investments that could change the course of health and development for Santa Cruz County’s most vulnerable children. The report identifies the following desired outcomes:

- ✓ Decreased rates of substantiated child maltreatment and entries into foster care among infants and toddlers
- ✓ Increased percentage of young mothers getting prenatal care in the first trimester
- ✓ Decreased percentage of babies being born preterm and low birthweight

- ✓ Decreased percentage of mothers and fathers reporting hardships and emotional distress during pregnancy and the child's first three years of life
- ✓ Improved parental confidence, parenting practices, and parent-child relationships
- ✓ Increased access to high-quality care and early learning opportunities for infants and toddlers

This year's budget will require the county to navigate difficult waters, but it is at times such as these that prevention efforts can reap their best rewards. While the revenue picture for the 2017-18 budget is still unclear, passage of Measure E on the November 2016 ballot, extending the Cannabis Tax to marijuana manufacturers and cultivators, is likely to generate new revenue. As a general tax, one of the uses of these funds, approved by the electorate in passing the original Cannabis Tax, was to serve our community's youth. We believe it is time to meet this promise. Our priority would be for the CAO to allocate the proposed funding to a Thrive by Three Fund, recognizing the potential new revenue from this source in the upcoming 2017-18 Budget.

Initially, the Health Services Agency Director and the Human Services Department Director should recommend how the money in the Fund should be allocated, after consulting with the First Five Commission on the desired results and evidence-based practices identified in the Thrive by Three document and after consulting with partners with early childhood expertise. In future years it is anticipated that allocation methods may need to be modified as additional opportunities for coordination and collective impact unfold. Funding should target the children and families facing the greatest cumulative risk.

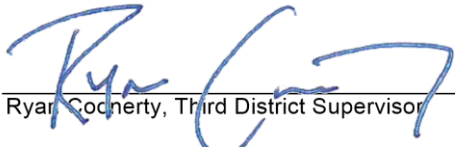
Additionally, it is our hope that our local cities will join us in investing in a Thrive by Three Fund. Creating a dedicated funding stream would make a definitive statement about the County's and Cities' commitment to invest in their youngest and most vulnerable residents, and could serve as a catalyst for strengthening the countywide system of early childhood development services by emphasizing prevention, innovation, accountability, and measurable results.

Therefore, we recommend that the Board of Supervisors take the following actions:

1. Direct the County Administrative Officer (CAO) to establish a Thrive by Three Fund to achieve the outcomes listed above by focusing on funding effective programs serving very young children (prenatal through age three), with the first priority given to evidence-based initiatives, for example: home visiting, early childhood mental health, and parent/caregiver engagement and education programs;
2. Direct the County Administrative Officer (CAO) to dedicate \$350,000 in General Fund monies in the 2017-18 Proposed Budget for the Thrive by Three Fund, without impacting existing commitments to vulnerable populations, if sufficient revenues are anticipated to support this new allocation;
3. Direct the Health Services Agency and Human Services Department Directors to consult with the First 5 Commission on the desired results and evidenced based practices included in the Thrive by Three Report and, after consulting with partners with early childhood expertise, recommend how the money in the Fund should be allocated while ensuring that the funding targets the children and families with the greatest need;


4. Direct the CAO to consider increased revenues from the Cannabis Tax as a possible financing source for the Thrive by Three Fund as anticipated by the original Cannabis Tax measure.
5. Direct the Chair to write to the County cities requesting their participation in the program.

Submitted by:



Ryan Cochrerty, Third District Supervisor

1/18/2017



Zach Friend, Second District Supervisor

1/18/2017

Attachments:

- a Thrive By Three Report
- b Letter of Cynthia Druley, CASA
- c Letter of Mary Lou Goeke, United Way

cc:

COPA
Dientes
SPIN
WIC
SEIU - Local 521
First 5 Santa Cruz County
Community Action Board
Monterey Bay Economic Partnership
Dr. Bruce Block
Community Bridges
Central California Alliance for Health
Child Care Planning Council
UCSC Childcare Researchers
Cabrillo College Early Childhood Education
Women's Commission
Encompass Community Services
Santa Cruz City School Board
Santa Cruz Community Foundation
Santa Cruz Community Health Centers
Soquel Elementary School Board
Packard Foundation
Dignity/Dominican Hospital
Children's Network of Santa Cruz County
Live Oak Unified School Board
City of Capitola

City of Santa Cruz
CASA of Santa Cruz County
Health Improvement Partnership of Santa Cruz County
City of Scotts Valley
City of Watsonville
County Office of Education
Salud Para La Gente
Pajaro Valley Prevention and Community Assistance
Pajaro Valley Unified School Board
Watsonville Community Hospital
United Way Santa Cruz County