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Contact: Chonne Sherman,
Communication & Operations Liaison
Phone: 650-372-9500
E-mail: csherman@co.sanmateo.ca.us

**The State takes \$15.5 Million from First 5 San Mateo County Commission
resulting in Program Cuts for Young Children**

San Mateo County, California: On April 25, 2011, First 5 San Mateo County (F5SMC) Commissioners approved an updated Long Term Financial Plan, reducing program funding by 31%. The Commission's current plan included some funding reductions starting in 2012; however when AB99 was signed by the Governor in March 2011, it exacerbated cutbacks that needed to be made. AB99 requires First 5 Commissions to transfer \$1 billion to the State Treasury.

First 5 San Mateo County will lose \$15.5 million (50% fund balance sweep), which must be paid to the State of California before June 30, 2012.

AB99, which is part of the state budget package, authorizes the redirection of funds from the 58 First 5 county commissions tapping \$950 million in reserves. An additional \$50 million would come from the state First 5 commission. The transfer will seriously impact reserves which had been allocated for early childhood health and education programs for children prenatally to age 5.

While F5SMC recognizes that sacrifices need to be made in order to fill the \$26 billion state budget gap, Debby Armstrong, F5SMC Executive Director stated, "Taking local dollars dedicated for young children to address a statewide issue is unreasonable." Armstrong further commented, "State Legislators voted for a Bill of Rights for California's Children and Youth, and then approved the re-direction of local dollars away from the very children and youth they vowed to support."

While F5SMC will strive to maintain its' most critical service priorities there is concern that services to young children and their families in underserved communities will be affected.

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F5SMC staff will immediately begin meeting with community providers to reevaluate critical program services and revise program funding based on the \$15.5 million loss in funds. At the September 26, 2011 commission meeting, F5SMC staff will present its reprioritized strategies which include cuts to service provider contracts and a 31% reduction to administrative/operational expenses to the Commission for approval. Reductions are anticipated to commence in January 2012.

About First 5 San Mateo County

First 5 San Mateo County is committed to the healthy development of children in their first five years. Research shows that a child's brain develops most dramatically in the first five years and what parents and caregivers do during these years to support their child's growth will have a meaningful impact throughout life.

Established in 1998 through funding from California's Proposition 10, the "tobacco tax," First 5 San Mateo County distributes approximately \$8million annually to programs and services that positively impact the lives of children and families in San Mateo County. For more information on First 5 San Mateo County and its programs, please call (650) 372-9500 or visit www.first5sanmateo.org.