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Minutes: Children and Families Commission Meeting

735 East Carnegie Drive, Suite 150, San Bernardino, California 92408

**Meeting Date,
Time and
Location** Commission Meeting
September 7, 2016
3:30 p.m.

Vice Chair Ohikhuare called the meeting to order at 3:34 p.m.

**Pledge of
Allegiance** The Pledge of Allegiance was led by Vice Chair Ohikhuare

**Special
Presentation** None

**Conflict of
Interest
Disclosure** Commission members shall review agenda item contractors, subcontractors, and agents, which may require member abstentions due to conflict of interest and financial interests.

A Commission member with conflicts of interests shall state their conflict under the appropriate item. A Commission member may not participate in or influence the decision on a contract for which their abstention has been recorded.

Attendees **Commissioners Present**

- Margaret Hill
- Stacy Iverson
- Maxwell Ohikhuare, M.D.
- Paul Vargas
- Elliot Weinstein, M.D.

Staff Present

- Karen E. Scott, Executive Director
- Cindy Faulkner, Operations Manager
- Debora Dickerson-Sims, Administrative Supervisor II
- Scott McGrath, Supervisor
- Staci Scranton, Supervising Office Assistant
- Sophie Akins, Commission Counsel
- Mary Alvarez, Staff Analyst II

Changes to the Agenda None

Report –
Karen E. Scott
Executive
Director

ADVISORY COMMITTEE

The next meeting is scheduled for September 22, here at First 5.

QUALITY START IN SAN BERNARDINO COUNTY

Quality Start is the brand new name for QRIS, a program designed to help child care and preschool programs provide the highest quality early learning experiences possible. Other regional partners, such as Orange County, Riverside, and Imperial County use the Quality Start name, as well.

TOBACCO LEGISLATION

Last fall and through early spring, First 5 Commissions across the state watched a package of six (6) tobacco-related special session bills move.

These bills proposed to:

- Raise the smoking age to 21
- Regulate e-cigarettes like other tobacco products
- Extend prohibition of smoking in the workplace including hotel lobbies, bars, gaming, etc.
- Extend the smoke free zone to all California schools including charter schools and vehicles
- Allow Counties to tax the distribution of cigarettes and other tobacco products upon voter approval
- Increase California’s tobacco licensing distributor and wholesaler fees

These bills were signed by the Governor on May 4th except the one allowing counties to tax the distribution of cigarettes. The remaining bills took effect on either June 9th or for the bill that increased several tobacco industry fees and some of the provisions of the bill that regulates e-cigarettes, those will take effect on January 2, 1017.

The expected annual impact on First 5 San Bernardino Commission revenue based on two of the bills and as early as FY 2016/17 is as follows:

Impact of Annual Licensing Fee	\$ 225,279
<u>Impact of Age Increase to 21</u>	<u>\$-1,200,347</u>
Total	\$ - 975,068

For the \$2 per pack tax initiative being planned to appear on the ballot for November:

- This bill would require the tobacco product excise tax be imposed on e-cigarette products for the first time, potentially raising about \$20m plus for Prop 10.
- This bill would allow for backfill for the special funds affected by an increase in tax such as Prop 10.

If approved, very rough estimates of the impact would be an additional \$1,469,213 for F5SB from the dedicated equivalency tax on tobacco and now e-cigarette products.

This would yield a net impact of \$494,145 to the good in additional revenue for FY 2016/17.

Relating to upcoming state propositions, First 5 Commissions are following three particular ballot measures: Propositions 55, 56, and 64.

Proposition 55 - Extension of Prop 30 Taxes

Proposition 55 would extend the 2012 approved income tax increase rates for 12 additional years (to sunset in 2030-31) and allow the Prop 30 sale tax to expire at the end of 2016.

Revenue projections are sensitive to stock market performance of the overall economy. However, the LAO reports revenue generation of \$4 - \$9 billion annually, nearly half of which would go towards K-12 education and community colleges. Additional funding would be dedicated to Medi-Cal, the state's Rainy Day Fund, and paying down debt services.

First 5 Association has not taken a position on Proposition 55.

Proposition 56 - \$2 Tobacco Tax

Sponsored by the Save Lives Coalition, Prop 56 would increase the state Tobacco Tax by \$2.00 per pack of cigarettes and, for the first time, this measure would also apply excise taxes on e-cigarettes. In doing so, the equivalency of the current 87-cent Tobacco Tax (dedicated to Prop 10 and Prop 99) would be applied to e-cigarettes.

LAO predicts the measure would generate between \$1 - \$1.4 billion annually, most of which would benefit cancer research and Medi-Cal services.

The \$2.00 per pack increase alone would not benefit Prop 10. However, because the measure extends excise taxes to e-cigarettes, taxes would directly benefit Prop 10 and First 5s across the state to the tune of \$10 - \$40 million annually. If passed, the new taxes would take effect April 2017.

First 5 Association Endorses Prop 56 and recognizes that it can benefit First 5's and our missions in three key ways:

- 1) Applying the equivalency of the current tobacco excise tax to e-cigarettes;
- 2) Significantly bolstering Medi-Cal and Denti-Cal programs; and
- 3) Further promoting tobacco cessation among Californians.

Proposition 64 – Marijuana Legalization & Taxation

Voters will be asked if adults over the age of 21 can legally use recreational marijuana. If passed, marijuana would be taxed at cultivation and at the point of sale. The proposition allows local municipalities to place additional regulations on marijuana and place additional taxes (on top of state taxes) if approved by voters.

The LAO reports that the measure will generate up to \$1 billion in new tax revenue annually. Such revenues will be used to create the Bureau of Marijuana Control, prevent and treat teen drug use, train law enforcement officers, and protect the environment from the harms of marijuana cultivation. There is no provision for First 5s in this measure.

First 5 Association has not taken a position on Proposition 64.

First 5 CA and County Commission are not taking a stand on marijuana and are not currently a party to any conversations about marijuana legalization, regulation or taxation.

Statewide conversations have begun on the appropriate F5 response and delivery of developmental research, prevention campaigns and resources for pregnant women and parents of young children to mitigate any negative effects of marijuana usage.

Consent

A motion was made by Commissioner Weinstein and seconded by Commissioner Vargas to approve the Consent Item. Commissioners. With Commissioners Gonzales and Haugan absent, and without further comment or objection, motion carried by unanimous vote.

Item No.	CONSENT
1	Approve minutes of August 3, 2016 Commission Meeting.

Item No.	DISCUSSION
2	<p>Authorize First 5 San Bernardino (F5SB) to participate jointly with First 5 Riverside (F5R) in submitting a proposal for the Dental Transformation Initiative – Local Dental Pilot Project for Fiscal Years 2016 – 2020, a funding opportunity to improve dental services in the Inland Empire region, strengthening the child health system. (Presenter: Karen E. Scott, Executive Director, 252-4252)</p> <p><u>Discussion</u> Commissioner Vargas asked if the children need to be on Medi-Cal to receive services. Ms. Scott answered yes, the children that will be testing the pilot program have to be Medi-Cal children.</p> <p>None</p> <p><u>Public Comment</u> None</p> <p>A motion was made by Commissioner Iverson and seconded by Commissioner Weinstein to approve Item 2. Vice Chair Ohikhuare abstained due to his department’s involvement. With Commissioners Gonzales and Haugan absent, an abstention from Vice Chair Ohikhuare and without further comment or objection, motion carried by unanimous vote.</p>
3	<p>Approve Amendment A1 to Contract HW054 with County of San Bernardino Department of Public Health (DPH) BONUS (Babies Optimal Nutrition with Ultimate Support) program to provide lactation support services countywide for Fiscal Years 2015-2018. (Presenter: Mary Alvarez, Staff Analyst II, 252-4258)</p> <p><u>Discussion</u> None</p> <p><u>Public Comment</u> None</p> <p>A motion was made by Commissioner Vargas and seconded by Commissioner Hill to approve Item 2. Vice Chair Ohikhuare abstained due to his department’s involvement. With Commissioners Gonzales and Haugan absent, an abstention from Vice Chair Ohikhuare and without further comment or objection, motion carried by unanimous vote.</p>

Public Comment None

Commissioner Roundtable

Commissioner Vargas stated he is looking forward to the Children's Network Conference. Commissioner Iverson commented that First 5 has done a remarkable job in drawing in additional resources (funds) for programs and growing systems for the children.

Adjournment

A motion to adjourn was made by Commissioner Vargas and seconded by Commissioner Iverson. With Commissioners Gonzales and Haugan absent and without further comment or objection, motion carried by unanimous vote.

Vice Chair Ohikhuare adjourned the meeting at 4:10 p.m.

**Next meeting at
First 5 San
Bernardino**

NOVEMBER 2, 2016
3:30 p.m.

Attest

Maxwell Ohikhuare, M.D., Vice Chair

Ann M. Calkins, Commission Clerk
