



FIRST 5 ALAMEDA COUNTY COMMISSION MEETING AGENDA

Thursday, June 18, 2015

**First 5 Alameda County
1115 Atlantic Ave.
Alameda, CA 94501
Conference Room A**

9:00 AM – 11:30 AM

Commissioners: Chair: Pamela Simms-Mackey M.D., Vice Chair: Ricky Choi, M.D., Alex Briscoe, Wilma Chan, Lori Cox, Cecilia Echeverria, Renee Herzfeld, Deborah Roderick Stark

- 1. Public Comment (for items not listed on the agenda) - Limited to 3 minutes per speaker**
- 2. Approval of Minutes from April 23, 2015**
- 3. Staff Announcements**

CONSENT

- 4. ACERA 401(h) Approval**
- 5. GASB 54 Fund Balance Commitment**
- 6. Personnel Policies Revisions**

INFRASTRUCTURE

- 7. 2nd Reading and Final Approval of FY 2015-17 Budget Recommendation**
- 8. 2nd Reading and Final Approval of Long Range Financial Plan**
- 9. FY 2015-16 and 2015-17 Awards**

PROGRAM

- 10. 2nd Reading and Final Approval of FY 2015-16 Strategic Plan Recommendation**
- 11. Hayward Unified School District Summer Pre-Kindergarten Study**
- 12. The David and Lucile Packard Foundation funded Oakland Starting Smart and Strong Initiative**
- 13. First 5 Alameda County Advocacy Policy Approval**
- 14. State Commission and Association Updates**

Commission Meeting Agenda

June 18, 2015

Information about the First 5 Conference Center

- The First 5 Conference Center is wheelchair accessible. Please notify us 3 business days in advance if you need special assistance so we can make reasonable arrangements to ensure accessibility.
- Please refrain from wearing strongly scented products to the Conference Center in consideration of those who may experience chemical sensitivities.

15. Legislation and Public Policy Updates

MISCELLANEOUS

16. Communication from Commissioners

17. Adjournment

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FIRST 5 ALAMEDA COUNTY COMMISSION MEETING MINUTES

Thursday, April 23, 2015

**First 5 Alameda County
1115 Atlantic Ave.
Alameda, CA 94501
Conference Room A**

9:00 AM – 11:30 AM

Commissioners: *Chair:* Pamela Simms-Mackey M.D., Alex Briscoe, Wilma Chan, Lori Cox, Cecilia Echeverria

Commissioners Absent: Renee Herzfeld, Deborah Roderick Stark, *Vice Chair:* Ricky Choi, M.D.,

Chair Pamela Simms-Mackey called the meeting to order at 9:12 AM.

1. Public Comment

There was no public comment.

Chair Simms-Mackey stated that the next several agenda items would be skipped due to there not being a voting quorum present. Once additional Commissioners arrived, the action items would be returned to.

2. Staff Announcements (formerly Agenda Item 3)

Janis Burger, CEO, shared that the National Help Me Grow Forum was held last week in Orange County, CA and that Chair Simms-Mackey and several staff attended the forum. Chair Simms-Mackey commended the work of the First 5 Alameda County Help Me Grow Program.

Ms. Burger announced that the Pay for Success Forum would be held next week in San Diego and an exploratory group would be convened to discuss ongoing funding for programs such as Home Visiting.

Ms. Burger also announced the Raising of America movie premiere taking place on Wednesday April 29th at the Grand Lake Theater. Ms. Burger asked that if any Commissioner would like to attend they should let her know and she would arrange for complimentary tickets.

INFRASTRUCTURE

3. First Reading of FY 2015-16 Budget (formerly Agenda Item 6)

Ms. Burger introduced Mark Rasiah, Financial Controller. Mr. Rasiah reported that we are in year 3 of the 4 year strategic plan and the final budget for adoption would be presented at the June Commission Meeting. This year's budget is \$21.3mil in expenditures, a 4% increase over the current budget. We anticipate tapping into the sustainability fund in the amount of approximately \$2mil to cover agency expenses.

Mr. Rasiah stated that of all revenue expected for FY 2015-16, \$12mil would be from tobacco tax revenues with revenues declining at approximately 2.5% as anticipated (see FY2015-16 Budget Proposal document for details).

Mr. Rasiah explained that the primary increases for the next year's budget are listed, some of which are personnel costs to support programmatic needs and infrastructure costs. Commissioner Cox asked about the changes in comparison to the FY 2013-14 year budget. Ms. Burger answered that those fluctuations were due to the building purchase and several external revenue streams sunseting. Mr. Rasiah replied as federal funding is received it rolls over to subsequent fiscal years and is distributed in ways which can affect the budget as described. He stated that the most stable funding would be the Prop 10 revenue and Prop 10 funded programs.

Commissioner Simms-Mackey asked about a typo of the fiscal year noted on page 15. Mr. Rasiah stated that yes, it is a typo and should be labeled FY 2015-16.

4. First Reading of Long Range Financial Plan (formerly Agenda Item 7)

Ms. Burger announced that this is a helpful tool for the agency to understand the funding predictions through as we work on sustainability of programs. This plan includes the next 2 strategic planning periods (see Long Range Financial Plan for details).

The current Fund Balance is approximately \$35.5mil and this is anticipated to decline to \$9.5mil in FY 2020-2021. Investment revenue will decline from \$350k to about \$100k in the future. These numbers will be revised and any major changes will be presented. Mr. Rasiah stated that he does anticipate additional revenue sources to come in over time, as well.

Commissioner Echeverria asked if programs end, would sufficient transition time be allowed and how can First 5 provide support to the community without services disappearing? Ms. Burger replied that strategic planning for the next 4 year period would begin soon, that funded partners are notified of reductions at least 9 months in advance and that from the onset everyone knows that it is a time limited revenue stream (if applicable) and that together we will make concerted efforts to support program sustainability through policy changes and new funding opportunities.

Commissioner Chan arrived at 9:46am.

Commissioner Cox asked about revenues covering expenses and stated she is confused as to the shortfall and the label of "surplus". Mr. Rasiah replied that this is a typo that the parenthesis should be around the shortfall and not the surplus.

Ms. Burger stated that regarding Philanthropic Ventures, there had been a need to hold money with that organization previously, but that is no longer needed so we will be moving money out of that account and back in to the agency sustainability fund.

Commissioner Echeverria asked about the FY 2010-2011 \$6.7m draw on sustainability funds. Mr. Rasiah stated he would need to check on this. Chair Simms-Mackey asked if this may have been when First 5 began to invest funds with the existing money managers. Ms. Burger replied that they would need to look into this.

5. Approval of Minutes from February 26, 2015 (formerly Agenda Item 2)

Commission Action: The Commission approved the February 26, 2015 minutes upon motion by Commissioner Cox, seconded by Commissioner Echeverria and unanimously carried (5 in favor, 0 opposed 0 abstained).

CONSENT

Chair Simms-Mackey stated that the following two agenda items were discussed at the Executive Committee meeting and therefore would not be reviewed by the full Commission unless any Commissioner had a question.

Commission Action: The Commission approved the items on consent upon motion by Commissioner Chan, seconded by Commissioner Cox and unanimously carried (5 in favor, 0 opposed, 0 abstained).

6. FY 2014-15 3rd Quarter Investment Report (formerly Agenda Item 4)

7. FY 2014-15 3rd Quarter Financial Report (formerly Agenda Item 5)

INFRASTRUCTURE

8. Contract Authorizations

Christine Hom, Contracts and Grants Administrator, reviewed the contract authorizations requiring Commission approval (see Contract Authorizations document)

Commissioner Briscoe asked whether the funding for OUSD would be distributed via a contract to support infrastructure. Ms. Burger replied that the goal would be to get the summer Pre K program institutionalized into their system. Commissioner Echeverria asked if OUSD would be accountable for 100% of the staffing costs in the future. Ms. Hom replied that for the next FY 50% would be provided by the Oakland Fund for Children and Youth and that hopefully they would continue to provide ongoing support at that level. Ms. Burger added that there is additional external funding from sources such as the Rainin and Packard Foundations for work in Oakland. Malia Ramler, Senior Administrator shared that the sustainability strategy is that the state invested \$50mil to increase reimbursements and with a higher reimbursement rate per child they are hoping this will be an ongoing resource.

Commissioner Briscoe stated that he's excited about the collaboration between data systems.. Ms. Hwang responded that our goal is to bridge multiple systems (Epic, NextGen, etc.) to increase data capacity and functionality.

Commission Action: The Commission approved the following contracts upon motion by Commissioner Cox, seconded by Commissioner Chan and unanimously carried (5 in favor, 0 opposed, 0 abstained).

- First 5 Association of CA
- Applied Survey Research
- Oakland Unified School District (OUSD)
- Oakland Unified School District (OUSD)
- Oakland Education Fund
- Public Consulting Group
- Regents of the University of California

Commission Action: The Commission approved the contract below upon motion by Commissioner Chan, seconded by Commissioner Echeverria and unanimously carried with Commissioner Cox abstaining (4 in favor, 0 opposed, 1 abstained).

9. First Reading of FY 2015-16 Strategic Plan

Ms. Burger stated that for the first reading of the FY 2015-16 Strategic Plan the content remains largely the same, with a few highlighted changes of partners and that the final version of the plan would be brought to the Commission for approval in June.

10. FY 2013-14 Annual Report Presentation

Chris Hwang, Evaluation & Technology Administrator presented the FY 2013-14 annual report which is organized around the 4 result areas and 9 strategies (see report for details). Ms. Hwang stated that we are seeing strategic partnerships forming and engagement of families in championing for the needs of their children. Ms. Hwang stated that the Training @ First 5 program has offered training on many emerging topics such as trauma-informed care and that in the area of evaluation, First 5 is looking to track parent impacts using the Strengthening Families protective factors. Families involved in Help Me Grow, Parenting Cafes and other programs and services. are being surveyed and over the next four years, data will show client progress in the resiliency factors.

Ms. Hwang stated that in the Help Me Grow program, a new Developmental Survey Program has launched where we are reaching a wider group of parents in the area of early identification. Evaluation staff is tracking the rate of developmental concerns in children assessed, resources available for children identified as “of concern”, and thinking critically about whether earlier identification does translate into less utilization of Special Education and other public services.

In the area of systems change, Ms. Hwang shared that a school readiness follow up evaluation is planned for fall of 2015. This study has brought together different partners resulting in more conversation between First 5 Alameda County and community partners around early childhood outcomes. Ms. Burger stated that there are several policy groups we are involved with such as EC-LINC which is working towards early childhood system change and collaboration across counties and states.

Commissioner Chan stated that the Common Core requirements are a major change at state and national levels and she would like to receive more information about its implementation. Ms. Hwang replied that the Kindergarten observation tool had been updated to assess how skills map to Common Core standards. Ms. Burger agreed that staff could provide additional information on Common Core at a future meeting.

11. FY 2015-17 Community Grants Initiative Recommendations

Janice Edwards, Grants Administrator, presented the FY 2015-2017 Community Grants recommendations. The total funds would be \$3.4mil distributed across 3 funding categories: Community Support, Targeted and Neighborhood Partnership.

Ms. Edwards shared that new program components in this grant cycle included Strengthening Families Framework alignment utilizing required reporting measures and trainings. Additionally applicants were required to incorporate developmental screening in to their proposed programs using either the Developmental Screening Program, promoting Help Me Grow services and/or providing child developmental screening.

Commissioner Chan asked how many of the grantees had received grants previously. Ms. Edwards reported that all 5 Neighborhood Partnership were continuation grants and in then Targeted category, two are new with the remaining being continuation grants. In the Community Support category, approximately half of the grantees are new. Commissioner Chan asked about the evaluation requirements for grantees. Ms. Edwards explained that we are tracking impact and quality, and with each funding cycle it is the grantee's responsibility to report their success and demonstrate the value for funding.

Commissioner Briscoe asked if F5AC is looking into the grantees' staffing and tracking if they are employing Alameda County residents in F5AC staff funded positions. Ms. Edwards replied that at the present this is not being tracked, but it is possible to do. Mr. Briscoe requested that thought be put into what would it entail to determine this information and the workforce being created for Alameda County residents.

Chair Simms-Mackey facilitated the vote for the following grants:

- Asian Health Services
- Bay Area Hispano Institute for Advancement, Inc. (BAHIA)/Centro VIDA
- Bay Area Parent Leadership Action Network (PLAN)
- CEID
- Central American Refugee Committee

- Children's Physical Therapy Oakland
- City Slicker Farms
- Intertribal Friendship House
- Jewish Family and Children's Services of the East Bay
- Livermore Area Recreation and Park District Preschool Programs
- Lawrence Hall Of Science
- Lighthouse Community Charter School
- Luna Dance Institute
- Mujeres Unidas y Activas
- Our Family Coalition
- Raising A Reader, San Francisco And Alameda Counties
- San Leandro Public Library
- Through the Looking Glass

Commission Action: The Commission approved the above grants upon motion by Commissioner Cox, seconded by Commissioner Chan and unanimously carried (5 in favor, 0 opposed, 0 abstained).

- 4C's of Alameda County
- Abode Services
- Asian Community Mental Health Services
- Brighter Beginnings
- CALICO Center (Child Abuse, Listening, Interviewing and Coordination Center)
- City of Fremont, Youth and Family Services
- City of Oakland – Office of Parks and Recreation

- East Bay Agency for Children
- Hayward Area Recreation and Park District
- Ruby's Place
- Safe Alternatives to Violent Environments
- Tri-Valley Haven for Women

Commission Action: The Commission approved the above grants upon motion by Commissioner Echeverria , seconded by Commissioner Chan and unanimously carried with Commissioner Cox abstaining (4 in favor, 0 opposed, 1 abstained).

- Alameda County Library

Commission Action: The Commission approved the above grant upon motion by Commissioner Briscoe, seconded by Commissioner Cox and unanimously carried with Commissioner Chan abstaining (4 in favor, 0 opposed, 1 abstained).

- REACH Ashland Youth Center

Commission Action: The Commission approved the above grant upon motion by Commissioner Echeverria, seconded by Commissioner Chan and unanimously carried with Commissioner Briscoe abstaining (4 in favor, 0 opposed, 1 abstained).

- Alameda County Public Health
- Superior Court of California, County of Alameda

Commission Action: The Commission approved the above grants upon motion by Commissioner Echeverria, seconded by Commissioner Simms-Mackey and unanimously carried with Commissioner Chan and Commissioner Briscoe abstaining (3 in favor, 0 opposed, 2 abstained).

- Bananas, Inc.
- UCSF Benioff Children's Hospital Oakland – Parent-Infant Program

Commission Action: The Commission approved the above grants upon motion by Commissioner Briscoe, seconded by Commissioner Chan and unanimously carried with Chair Simms-Mackey abstaining (4 in favor, 0 opposed, 1 abstained).

- Alta Bates Summit Foundation
- East Bay Community Law Center

Commission Action: The Commission approved the above grants upon motion by Commissioner Briscoe, seconded by Commissioner Chan and unanimously carried with Chair Simms-Mackey abstaining (4 in favor, 0 opposed, 1 abstained).

12. Raising of America Video

A short video clip from Raising of America was played for the Commissioners.

13. State Commission and Association Updates

Ms. Burger shared the following updates with the Commission:

- F5 California is releasing a Request for Proposals to counties in mid-May for a new funding stream called Impact. We will be applying for this major initiative.
- George Halverson and Camille Maben are coordinating a Faith Based early childhood brain development event at Beebe Memorial Church in Oakland.
- A consulting firm was hired by the First 5 Association to align communication for sustainability of First 5s across the state. Ms. Burger announced that a training would be held for F5AC Commissioners on messaging and communications strategies to the community and public.

14. Legislation and Public Policy Updates

Ms. Burger shared the following updates with the Commission:

- There is continued work on the Board of Equalization funding. A report was presented on alternatives, there appears to be a 1 year fix via legislation where we would potentially retroactively receive an additional \$500,000.
- Save CA Lights is a \$2 per pack tax in the legislature now focused on health care costs, cancer research, etc. There is interest in First 5 getting 10% of these funds or other options in sharing these revenues.
- The Association is working on a Mullen bill around home visiting and nurse-family partnership which is aiming for state funding of these programs.
- We are signing onto a letter of support for early childhood funding restoration.
- Commissioner Briscoe asked about the e-cigarette issue. Commissioner Chan replied that this is something they should discuss.
- Ms. Burger stated that she will be sharing a report by Deborah Stark.

- Commissioner Briscoe asked about tracking of labor and delivery rates. Ms. Burger replied that the changing demographics are definitely something we will be looking at during the next strategic planning process.

MISCELLANEOUS

15. Communication from Commissioners

Chair Simms Mackey announced a new resource center project at Children's Hospital Oakland to connect the public with resources and partners to prevent over use of hospital services.

16. Adjournment

The meeting was adjourned at 11:28 AM.



MEMORANDUM

TO: First 5 Alameda County Commission
FROM: Mark Rasiah, Financial Controller
DATE: June 18, 2015
RE: ACERA 401(h) Account Authorization

ACTION REQUESTED

That the Commission review the resolution to fund the ACERA 401(h) account with the purpose of providing tax free health benefits to retirees.

BACKGROUND

In order for the Alameda County Employees Retirement Association (ACERA) to provide tax-free health benefits to its retirees, it is required that participating agencies such as First 5 Alameda County establish and pay post-retirement benefits through a 401(h) account. In 2007-08, the Commission authorized the establishment of such an account.

The 401(h) account, also called the Advance Reserve Account, is funded by a portion of regular First 5 retirement contributions. First 5 contributions are then supplemented by the Supplemental Retiree Benefits Reserve (SRBR) in the amount of the 401(h) contribution. The effect is a no-cost transaction.

For 2015-2016 (and every year), it is required that the participating member agencies of ACERA authorize the required contributions to the account. The required contribution is determined by ACERA's actuary, The Segal Company. Based on the actuarial analysis, First 5's contribution for 2015-2016 is \$26,387.42. The contribution per pay period is \$1,014.90 beginning with pay period 15-14.

FISCAL IMPACT

There is no fiscal impact.

RECOMMENDATION

That the Commission authorize the resolution to fund the ACERA 401(h) account with the purpose of providing tax free health benefits to retirees.

Submitted by:

Reviewed by:

Mark Rasiah
Financial Controller

Janis Burger
Chief Executive Officer

RESOLUTION

FIRST 5 ALAMEDA COUNTY
RESOLUTION APPROVING 401(h) ACCOUNT
PURSUANT TO SECTION 31592

WHEREAS, in 1996, the Alameda County Employee’s Retirement Association (“ACERA”) Board of Retirement informed the Board of Supervisors that by adoption of Resolution No. 96-111, the Board of Retirement had established a health benefits account intended to satisfy the requirements of Internal Revenue Code (“IRC”) Section 401(h) and the regulations thereunder (the “401(h) Account”) in order to provide non-vested, tax-free health benefits to eligible County and Participating Employer retirees (collectively, the “Retirees”); and

WHEREAS, in 1996, this Board of Supervisors adopted Resolution No. R-96-634, which provided that ACERA could offer such non-taxable benefits if the County designated a portion of its contribution to ACERA for a fiscal year as a contribution to the 401(h) Account, and

WHEREAS, under Section 31592.4 and Article 5.5 of the County Employees Retirement Law of 1937 (“CERL”), assets in the Supplemental Retiree Benefit Reserves (the “SRBR”) at the end of a fiscal year of ACERA may, in the immediately succeeding fiscal year, be transferred to the Advance Reserves of the Participating Employers, and treated as a contribution to ACERA by the County and as applicable by other Participating Employers to the extent that in the immediately succeeding fiscal year the County and other Participating Employers make contributions to ACERA’s 401(h) Account in order to pay for retiree health benefits; and

WHEREAS, Section 31592.4 and Article 5.5 of the CERL thus permit the Participating Employers to contribute to a 401(h) Account and pay for retiree health benefits for a fiscal year without increasing First 5 Alameda County’s total contributions to ACERA for that fiscal year; and

WHEREAS, commencing with the 1996-1997 fiscal year, and for each fiscal year thereafter, the County has directed that a specified portion of its fiscal year contribution to ACERA for that year be contributed to the 401(h) Account; and

WHEREAS, in 2007 First 5 Alameda County authorized ACERA to establish and manage a 401(h) sub-account on its behalf to provide tax free health care for its retirees.

NOW THEREFORE, IT IS RESOLVED AS FOLLOWS:

1. In fiscal year July 1, 2015 – June 30, 2016, First 5 Alameda County shall contribute to ACERA \$26,387.42 to be used only for the paying of retiree medical health benefits. This contribution shall be made on the terms and conditions set forth in the Agreement between First 5 Alameda County and ACERA concerning such contributions, executed on June 28, 2007.

2. This contribution shall be designated, in writing, as being only for First 5 Alameda County's IRC § 401(h) Account, and such designation shall be made at the time of contribution.
3. Such contribution is contingent on the Board of Retirement immediately transferring, in accordance with Government Code §31592.4, an amount equal to such contribution from ACERA's SRBR account to First 5 Alameda County's advance reserve account. Such amount shall be treated as a contribution for pension and therefore shall be applied to reduce the pension contribution otherwise required by First 5 Alameda County for the fiscal year beginning July 1, 2015.
4. No party, including any existing or future First 5 Alameda County employee, retiree, spouse or dependent, shall have any vested rights, contractual rights or other rights in or to any retiree medical benefits or payment or subsidy for any such benefits nor shall any such person or ACERA have any such rights to have First 5 Alameda County contribute towards paying or subsidizing the cost of any retiree medical benefits provided by ACERA under the 401(h) Account or otherwise. First 5 Alameda County may modify or terminate, at any time and without any limitation, its decision to contribute to First 5's 401(h) Account. This modification or termination may occur even if it may affect any employee first hired prior to the date of such modification, any person who retired prior to such date, and/or any person who became a spouse or dependent of an employee or retiree prior to such date.
5. All contributions by First 5 Alameda County to its 401(h) sub-account shall be governed by requirements of the Internal Revenue Code and all administrative and other applicable rules established by ACERA governing such sub-account and ACERA's 401(h) Account.



To: First 5 Alameda County Commission

From: Mark R Rasiah, Financial Controller

Date: June 18, 2015

Subject: Sustainability Fund Balance Commitment- GASB 54

REQUESTED ACTION

To review and discuss the commitment of sustainability funds.

BACKGROUND

There is no single number in governmental accounting and financial reporting that attracts more interest and discussion than *fund balance*. Fund balance, also referred to as net assets, is the difference between asset and liabilities in the governmental funds balance sheet.

The Governmental Accounting Standards Board (GASB) recently adopted Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This statement requires governments to revise how fund balance is reported in its financial statements. The planned use of net assets is required to be reported in various categories depending on the constraints imposed on the use of resources. The categories in which governments are required to categorize fund balance are (in order of most to least constrained): Nonspendable, Restricted, Committed, Assigned and Unassigned. The more constrained the resources, the less likely they can be redeployed to other uses.

GASB 54

A hierarchy of fund balance classifications has been created by the Governmental Accounting Standards Board (GASB), based primarily on the extent to which governments are bound by constraints on resources reported in the funds. This approach, which is referred to as GASB 54 is intended to provide users more consistent and understandable information about a fund's net resources. GASB 54 went into effect in FY 2010-2011, and for the very first time F5AC fund balance was presented accordingly in the financial statements for the fiscal year which ended on June 30th 2011. In summary, the hierarchy of five possible classifications of fund balance is:

Nonspendable Fund Balance

- Amounts that cannot be spent due to form; for example, inventories and prepaid amounts. Also, long-term loan and notes receivables, and property held for resale would be reported here.
- Amounts that must be maintained intact legally or contractually.

Restricted Fund Balance

- Amounts constrained for a specific purpose by external parties, constitutional provision or enabling legislation.

Committed Fund Balance

- Amounts constrained for a specific purpose by a government using its highest level of decision-making authority. It would require action by the same group to remove or change the constraints placed on the resources.
- Action to constrain resources must occur prior to year-end; however, the amount can be determined in the subsequent period.

Assigned Fund Balance

- For amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts.

Unassigned Fund Balance

- For any remaining amounts not classified as any of the above.

F5AC's sustainability fund or stabilization fund currently meets the definition of "Assigned" as defined in GASB 54. These stabilization funds can be categorized as "Committed" by having formal board action. Therefore, we are asking the Commission to formally "commit" stabilization funds. This can be done with a simple Commission action stating what the stabilization funds must be used for. At the end of the current fiscal year, it is estimated that First 5 Alameda County (F5AC) will have approximately \$33.6 million in fund balance.

PROPOSED ACTION TO DESIGNATE FUND BALANCE

The amount reported as fund balance in the audited financial statements for the 2014-15 fiscal year will be classified as stated below, in keeping with the requirements of GASB 54.

Motion:

1. To accept Staff's recommendation to designate a portion of fund balance not exceeding \$19 million of net assets as at June 30th, 2015, as "non-spendable" in order to maintain intact, funds for Contracts, Grants and Pre-paid Expenses, in accordance with the FY 2015-16 Budget adopted by the Commission on June 18th, 2015.

2. To accept Staff’s recommendation to “Assign” a portion of ending fund balance not exceeding \$14 million of net assets as at June 30th 2015, for budget stabilization (balancing the budget), in accordance with the Long Range Financial Plan adopted by the Commission on June 18th, 2015. Funds committed to budget stabilization shall only be used to maintain F5AC services as long as possible during anticipated funding declines in accordance with the Long Range Financial Plan. They can only be committed to other uses by a majority vote of the Commission. These funds are not anticipated to be replenished after they are used for budget stabilization.

FISCAL IMPACT

This action is purely for classification purposes. There is no fiscal impact. In fact, funds may only be spent on any contract exceeding \$50,000, if the contract has been duly authorized by the Commission at the time of budget adoption or during the course of the fiscal year.

Use of Fund Balance	Maximum Amount	GASB 54 Classification
FY 2015-17 Budgeted Contracts, Grants and prepaid expenses.	\$19 million	Non-spendable Fund Balance
Budget stabilization - Long Range Financial Plan	\$14 million	Assigned Fund Balance

RECOMMENDATION:

That the Commission review and authorize the commitment of Sustainability Funds as outlined above.

Submitted by:

Reviewed by:

 Mark R Rasiah,
 Financial Controller

 Janis Burger,
 Chief Executive Officer



MEMORANDUM

TO: First 5 Alameda County Commission
FROM: Mark Rasiah, Financial Controller
DATE: June 18, 2015
RE: Employee Handbook Revision

ACTION REQUESTED

That the Commission review and approve the proposed revisions to the Employee Policies and Procedures Handbook.

BACKGROUND

First 5 Alameda County adopted Personnel Policies in May 2004 in preparation for separation from Alameda County. Since then revisions have been made in May 2005, September 2005, June 2006, May 2007, May 2008, June 2009, June 2010, December 2011, May 2013, and June 2014. All significant policy revisions are listed on the change log at the end of the document. Revisions are necessary periodically due to changes in practice or law, and proposed revisions have been reviewed by outside counsel. We engage the employment law firm of Wiley Price & Radulovich when consultation is needed on issues of employment, including revision of personnel policies contained in the Employee Handbook.

PROPOSED REVISIONS TO THE EMPLOYEE POLICIES AND PROCEDURES HANDBOOK

No policies were added or deleted this year. The following are the primary changes made as part of year-end manual clean up (which represents changes that clarify but do not change policy, or that were made for editing purposes or to clarify current agency practices and/or procedures) or to bring our current policies in line with changes in employment law . The most significant, non-editorial changes include:

1. The At Will Status policy was moved from the end of the manual to the beginning (page 6) so that this foundational concept is communicated to employees earlier.
2. The Health and Dental Insurance section (page 9) was revised to reflect our obligation (under the Affordable Care Act) to offer health insurance to all employees, including temporary employees, who work 30 hours or more per week beginning in January, 2016.

3. The Sick Time policy (page 15) was modified to reflect the Healthy Workplace Healthy Family Act of 2014, including:
 - Language specifying that sick time may be used to obtain relief from domestic violence, sexual assault or stalking
 - Provisions to provide limited sick time (three days/year) to temporary employees
4. The Drug-Free Workplace policy (page 27) was simplified and streamlined, including a clearer notification statement.
5. The Discrimination and Harassment policy (page 34-35) was modified to reflect the now required inclusion/protection of unpaid interns and volunteers.
6. The Suspension portion of the Disciplinary Procedures policy (page 36) was modified to clarify that situations where an employee is placed on paid administrative leave pending the outcome of an investigation would not be characterized as disciplinary.

FISCAL IMPACT

There is minimal fiscal impact. Temporary employees will now be eligible for some limited benefits, but it is not anticipated that these changes will have a significant impact on the salary and benefits budget as we do not employ temporary employees for extended lengths of time and the benefits they are eligible for are less generous than those for regular employees.

RECOMMENDATION

To review and approve the following Employee Policies and Procedures Handbook revisions.

Submitted by:

Reviewed by:

Mark Rasiah,
Financial Controller

Janis Burger,
Chief Executive Officer



EMPLOYEE POLICIES AND PROCEDURES HANDBOOK

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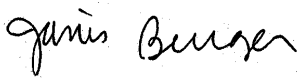
WELCOME

Welcome to First 5 Alameda County! Through the efforts of our staff members, First 5 Alameda County has established itself as a leading organization in our community and we are excited to have you join our team.

Our vision and mission, along with our strategic plan, guide the work that we do. To ensure our continued success, all employees also need to understand our policies and procedures. This Handbook contains important information that you need to know about First 5 Alameda County, including [a summary of](#) our policies, benefits, and work expectations, and we encourage you to use it as a reference throughout your employment with us.

If you have any questions, please do not hesitate to ask either your supervisor or a member of the Finance/Administration team.

Sincerely,



Janis Burger, Chief Executive Officer

OUR VISION

Every child in Alameda County will have optimal health, development and well-being to reach his or her greatest potential.

OUR MISSION

In partnership with the community, we support a county-wide continuous prevention and early intervention system that promotes optimal health and development, narrows disparities and improves the lives of children 0 to 5 and their families.

PART ONE: INTRODUCTORY INFORMATION

HANDBOOK USE AND PURPOSE

This employee handbook is designed to help employees familiarize themselves with important information about First 5 Alameda County (hereafter also referred to as F5AC), as well as information regarding their own privileges and responsibilities [as employees](#).

It is not possible to anticipate every situation that may arise in the workplace or to provide information that answers every possible question. Also, future circumstances may require changes in the policies, practices, and benefits described in this handbook. Accordingly, except for the At-Will Employment Policy, F5AC reserves the right to modify, rescind, supplement, or revise any provision in this handbook. While F5AC will make reasonable efforts to provide employees with advance notice of any modifications or revisions to the handbook and will distribute updated pages as revisions are made, advance notice of policy changes may not

always be possible. Even in this event, changes to policies ~~will~~ apply to F5AC employees upon their effective date.

This handbook is not intended to be a contract. The policies and procedures in this handbook are intended to replace all previous personnel policies, practices, and guidelines. ~~with the exception of F5AC's at-will employment policy.~~

Employees are expected to comply with all policies. Employees who fail to do so will be subject to discipline, up to and including immediate termination.

Any questions regarding the contents of this handbook may be addressed to your supervisor or to the Human Resources Administrator.

EQUAL EMPLOYMENT OPPORTUNITY

It is the policy of First 5 Alameda County to afford equal opportunity in all aspects of employment to all persons without discrimination on the basis of race, religion (including religious dress or grooming), sex (including pregnancy, childbirth, breastfeeding, or related medical conditions), national origin, ethnicity, ancestry, citizenship, age, physical or mental disabilities, color, marital status, registered domestic partner status, sexual orientation, gender identity or expression, genetic information, medical condition, military or veteran status, exercise of rights under the Pregnancy Disability Leave Law or the California Family Rights Act, or any other basis protected by applicable law. This policy shall apply to all employees and applicants for employment, and extends to all phases of employment, including recruitment, hiring, training, promotion, discharge or layoff, rehiring, compensation, and benefits.

REASONABLE ACCOMMODATION OF PROTECTED DISABILITIES

First 5 Alameda County complies with the employment-related reasonable accommodation requirements of the California Fair Employment and Housing Act and the Americans with Disabilities Act (and any subsequent revisions or amendments thereto), including the interactive process to identify possible reasonable accommodations of protected disabilities. Employees or applicants who wish to request a reasonable accommodation should make this request to the Human Resources Administrator. Alternatively, employees may make their request to their direct supervisor, who will be responsible for communicating the request for accommodation to Human Resources.

COMPLAINT PROCEDURE FOR COMPLAINTS OF DENIAL OF REASONABLE ACCOMMODATION

Complaints of denial of reasonable accommodation shall be directed to the Human Resources Administrator. Applicants and employees are encouraged to bring such complaints to F5AC's attention promptly, so that it can address them promptly. The Human Resources Administrator will investigate the complaint and make a recommendation to the Chief Executive Officer.

The Chief Executive Officer shall make a determination regarding whether a reasonable accommodation can be provided. As part of this complaint resolution procedure, ~~t~~The Chief Executive Officer may require the applicant/employee and a F5AC representative to meet to

discuss potential reasonable accommodations and to try ~~and to~~ agree ~~to on~~ a specific reasonable accommodation. The Chief Executive Officer shall have the authority to determine which reasonable accommodation, if any, shall be provided.

PART TWO: EMPLOYMENT AND HIRING POLICIES

AT-WILL STATUS

Employment with First 5 Alameda County is not for any specified period and can be terminated by either the employee or F5AC at any time with or without any particular reason or cause and without advance notice. Nothing contained in these policies is intended to, or should be construed to, alter the at-will relationship between First 5 Alameda County and its employees. Although other terms and conditions and benefits of employment with First 5 Alameda County may change, or be eliminated or added to, from time to time, the at-will relationship of employment is one aspect that cannot be changed except by an agreement in writing with the First 5 Alameda County Commission, signed by the chair of the board on behalf of the entire board, and by the employee.

WORK ELIGIBILITY

To comply with federal law, First 5 Alameda County employs only United States citizens and non-citizens who are lawfully authorized to work in the United States. All employment is conditioned upon receipt, by the Human Resources Administrator, of documentation establishing identity and authorization to work in the United States.

Employees who will be working alone with children will be required to be fingerprinted prior to employment. Employees who will work directly with families will be required to pass a TB test prior to employment, and periodically during the course of employment.

California law requires that certain employees must report suspected child abuse or neglect to a child protective agency. Consistent with First 5 Alameda County's mission to improve the lives of children 0-5 years of age and their families, all F5AC employees are considered to be mandated reporters and must sign a statement agreeing to comply with the reporting requirements, prior to commencing employment and as a prerequisite to that employment. Employees will also be provided with training on reporting procedures during their introductory period.

Employees for whom driving is an essential function of their job at F5AC must have a valid California driver's license, personal automobile insurance and ability to meet the driving record requirements for coverage under F5AC's non-owned auto liability policy. Such drivers are required to sign an Authorization of Release of Driver Record Information for F5AC insurance purposes at the commencement of employment. Assignment of driving responsibilities is conditional upon receipt of a satisfactory report from the State of California, Department of Motor Vehicles. If an applicant or employee cannot meet these requirements due to a disability or medical condition, he/she should notify the Human Resources Administrator to discuss possible accommodations.

INTRODUCTORY PERIOD

Employees are considered introductory during the first one hundred eighty (180) days following their date of hire. During this period, performance will be carefully evaluated and a determination made regarding whether the employee's job performance is sufficient to pass the introductory period. The fact that an employee has successfully completed the introductory period does not guarantee continued employment for any period of time. During the introductory period, employees are not eligible to take vacation time, although vacation time does accrue [as described in the "Vacations" policy](#).

Notwithstanding the introductory period, because your employment is at-will, it may be terminated by you or F5AC, during or after your introductory period, for any reason or no reason, with or without cause, and with or without advance notice.

EMPLOYEE CLASSIFICATIONS

Staff members are placed into classifications based on job description, and applicable wage/hour laws.

- Exempt Employee: An executive, administrative, or professional employee who is exempt from the overtime requirements of the Fair Labor Standards Act ("FLSA")
- Non-exempt Employee: An employee (generally paid by the hour) who is eligible for overtime pay under the FLSA
- Regular Full-Time Employee: An employee who is regularly scheduled to work forty (40) hours or more per workweek
- Regular Part-Time Employee: An employee who is regularly scheduled to work between twenty (20) and thirty-nine (39) hours per workweek
- Temporary Employee: An employee who is hired on a full-or part-time basis for a specified period of time, usually not to exceed twelve (12) months
- On-Call Employee: An employee who is not regularly scheduled to work a specified number of hours in any given workweek, but who is scheduled to work on an as-needed basis

CHANGES IN EMPLOYEE CLASSIFICATIONS

All employees are classified as exempt or non-exempt, and as regular, temporary, or on-call, and as part-time or full-time. These classifications determine eligibility for benefits, compensatory time, and overtime.

Changes in employee classification may occur when a significant job change occurs (for example, a promotion or a change in work hours, etc.) [that is intended to last](#)ing for more than four (4) months.

JOB POSTINGS

First 5 Alameda County attempts to find the most qualified candidates to fill position vacancies. This is accomplished through a combination of internal and external recruiting. Consideration

will be given to the advancement of current employees, and employees are encouraged to apply for promotions or transfers for which they feel they are qualified.

Open positions may be posted internally through F5AC email and/or on the First 5 Alameda County intranet. Internal postings may occur simultaneously with external postings. The decision to fill positions from within or to hire from outside is made solely by First 5 Alameda County.

Only the Human Resources Administrator and the Chief Executive Officer have the authority to extend job offers. All offers of employment will be in writing.

HIRING OF RELATIVES

First 5 Alameda County is aware that relatives of employees or Commissioners may occasionally seek employment with First 5 Alameda County.

In the interest of avoiding conflicts of interest, or appearances of conflicts, First 5 Alameda County sets forth the following guidelines with respect to nepotism:

1. Current employees may not interview or make employment-related decisions with respect to relatives who seek employment with F5AC.
2. Current employees may not supervise relatives under any circumstances.

The definition of “relative” is:

- Spouse/domestic partner
- Employee’s, spouse’s or domestic partner’s child (natural child, legally adopted child, or a child for whom the employee, spouse, or domestic partner has been awarded court-appointed legal guardianship)
- Parent or spouse/domestic partner’s parent
- Brother, sister, or spouse of sibling
- Any other individual living in the same household as the employee

It is expected that all employees, regardless of any relationship status, will conduct themselves professionally in their interactions with each other and with other employees working at First 5 Alameda County.

EMPLOYMENT OF BOARD MEMBERS

To preserve the objectivity and integrity of F5AC’s Commission, any Commission member who wishes to apply for employment with F5AC must first resign from the Commission.

PART THREE: EMPLOYEE DEVELOPMENT

PERFORMANCE MANAGEMENT

Effective performance management is critical to the success of First 5 Alameda County; employees need to know what is expected of them if we are to carry out our strategic plan and achieve our mission. Supervisors are expected to provide ongoing, timely feedback and

coaching to their staff so that employees know how they are doing and any performance issues can be addressed in a timely manner. Employees are expected to engage in dialogue with their supervisor to ensure a clear understanding of ~~their~~ performance expectations and to identify any areas needing improvement.

Each employee's performance will be formally reviewed at the end of the introductory period, and thereafter on an annual basis, to coincide with the approximate anniversary of the employee's start date with First 5 Alameda County (or the anniversary date of any subsequent promotion or change in position). Performance review guidelines are provided by Human Resources for supervisors and employees to follow during the process.

Performance reviews, signed by the employee, supervisor and the Human Resources Administrator, will be placed in the employee's personnel file. Employees may keep a copy of their review and have the opportunity to provide input to and comment on it in writing.

In the event that an employee's overall performance is rated as less than satisfactory or specific areas are identified that are in need of improvement, the supervisor should develop a written performance improvement plan for the employee. Performance improvement plans should include specific goals for improvement along with the strategies and timeline to improve performance. Supervisors should notify and work with the Human Resources Administrator when any performance issues are identified that require a written improvement plan.

PROFESSIONAL DEVELOPMENT

First 5 Alameda County encourages the professional growth and development of employees through a variety of means, including in-house training, membership affiliations with professional organizations, and attendance at educational conferences, meetings or seminars. To support this, all employees, together with their supervisor, develop professional development goals annually as part of the performance review process.

First 5 Alameda County will consider employee requests to pay for membership dues and license renewals in job-related professional organizations when those fees become due after the start of employment with F5AC. Employees may make this request through their supervisor, and written ~~supervisor~~ approval by F5AC is required prior to payment or reimbursement. Employees who wish to attend a job-related conference, meeting or seminar must also make this request through their supervisor, and obtain advance written approval, prior to payment or reimbursement for the cost of the training. Detailed information about procedures for submitting professional development requests can be found in F5AC's Procedures Manual.

PART FOUR: HEALTH, WELLNESS, AND EMPLOYEE ASSISTANCE

MEDICAL HEALTH AND DENTAL INSURANCE

Medical Health and dental insurance is offered as part of the benefits package to regular, full-time employees and regular, part-time employees who regularly work 20 hours or more per week. First 5 Alameda County pays the cost of premiums for the employee, spouse/domestic partner and/or eligible dependents, up to an amount to be determined annually. If an

employee chooses a ~~medical health~~ and/or dental plan(s) that cost more than the employer contribution, the balance of the cost is borne by the employee, and is paid for on a pre-tax basis through payroll. First 5 Alameda County's share of costs of benefits for part-time employees will be pro-rated to the percentage of time the employee is regularly scheduled to work.

Effective January 1, 2016, temporary employees who work 30 or more hours per week and their eligible dependent children will be offered health insurance 60 days from the date of employment; if elected, this insurance will become effective on the first of the following month. First 5 Alameda County shall determine the employer share of premiums it shall make for temporary employees. Any balance of premium costs is borne by the employee, and shall be paid for on a pre-tax basis through payroll. Temporary employees who work less than 30 hours per week are not eligible to be offered health insurance.

First 5 Alameda County reserves the right to change ~~medical health~~ and dental insurance plans and benefits under those plans, to change the employer share of premium payments for the plans, or change the amount it pays employees who opt out of the plan(s) (see "Payment in Lieu" section, below), with or without notice, consistent with any legal obligations it may have. In general, the employer share of premiums is determined prior to each Open Enrollment period.

DEFINITION FOR ELIGIBILITY

For the purposes of benefits coverage, "eligible dependents" is defined as spouse or domestic partner and eligible dependent children.

PAYMENT IN LIEU

Employees may opt not to enroll in health and/or dental insurance provided through First 5 Alameda County, provided they have proof of insurance through another source. Employees who wish to opt out must complete and sign a waiver form. First 5 Alameda County will pay employees who opt not to enroll in any form of Agency-provided medical or dental insurance \$125.00 each pay period (pro-rated for part-time employees to the percentage of time regularly scheduled to work). This payment is subject to state and federal taxes.

Temporary employees who are offered health insurance and elect not to enroll are not eligible to receive an in lieu payment.

INSURANCE CONTINUATION

Upon termination or other qualifying event, employees covered under a health insurance plan have certain legal rights to remain on the insurance plan at their own expense for up to eighteen (18) months (more in some exceptional cases) through benefits under COBRA. More information regarding COBRA coverage, costs, and administrative procedures is available from the Human Resources department at the time employment ends or when an employee has a question or provides notification about other qualifying events.

Employees who experience a qualifying event must provide written notice within 60 days after the qualifying event occurs to Human Resources. This written notice must include the name of

the employee, the type of qualifying event, the date of the qualifying event, the name of the insurance plan, and the names of the individual(s) eligible for COBRA. In particular, for your dependents to be eligible for COBRA continuation coverage (which may be available for both health and dental insurance), you must inform us if:

- You and your spouse experience divorce or legal separation
- A dependent child loses eligibility for coverage as a dependent child

FIRST 5 FLEXIBLE BENEFIT

All regular, full-time employees receive a First 5 Flexible Benefit of \$1,500 per calendar year. This amount is reviewed annually, generally prior to each Open Enrollment period, and F5AC reserves the right to change the amount of the Flexible Benefit. The benefit may only be applied to the following pre-tax options:

1. The Employee's share of the ~~medical~~health/dental premium,
2. The purchase of supplemental Life Insurance (for the employee), or
3. The funding of a Health Flexible Spending Account (H~~FSA~~)

Part-time, regular employees' Flexible Benefit is pro-rated based on the percentage of time regularly scheduled to work.

ALAMEDA COUNTY EMPLOYEES RETIREMENT ASSOCIATION (ACERA)

All regular, full-time employees are required to become members of ACERA, a defined benefit retirement pension plan for public employees in Alameda County. Employees are required to make a pre-tax retirement contribution to ACERA through payroll deduction; contribution rates are set by ACERA. Part-time or temporary employees are not eligible to become members of ACERA. Full-time employees who convert to part-time or temporary status are required to continue ACERA membership. Additional information about ACERA is available from Human Resources or can be found at the ACERA website: <http://www.acera.org>.

EMPLOYEE ASSISTANCE PROGRAM (EAP)

All regular employees are provided with access to an Employee Assistance Program, which offers a variety of confidential services and benefits at low- or no-cost. Information about the program and how to access it is available from Human Resources.

LIFE INSURANCE

Regular employees who work 20 or more hours per week are eligible for a basic \$25,000 life and accidental death and dismemberment insurance benefit paid for by F5AC. Employees may also elect supplemental coverage at their own expense, with premium payments being made on a pre-tax basis through payroll under F5AC's Cafeteria (Section 125) Plan. Additionally, employees may elect supplemental life insurance for their spouse/partner and/or dependent children at their own expense; these premiums are paid on an after-tax basis. Supplemental life insurance may only be elected at the time of hire or open enrollment and, depending on the amount requested and election date, may be subject to underwriting and approval by the insurance company.

FLEXIBLE SPENDING ACCOUNT

All regular employees may enroll in F5AC's flexible spending account ("FSA") program, which allows employees to set aside pre-tax dollars to be used for eligible medical expenses or dependent care expenses. For information about current annual election limits and a comprehensive list of reimbursable expenses, please review the FSA materials provided by Human Resources or visit www.wageworks.com.

A Word of Caution Regarding FSAs

No refunds of money left in an individual's flexible spending account are given at the end of the plan year. This means that employees participating in the plan need to estimate expenses carefully.

WORKERS' COMPENSATION

First 5 Alameda County carries workers' compensation insurance as required by law to protect employees who are injured on the job. This insurance provides medical, surgical, and hospital treatment in addition to compensation for a percentage of loss of pay resulting from work-related injuries or illness. The cost of this coverage is paid by F5AC.

You must immediately report any on-the-job injury to your supervisor, regardless of how minor the injury may seem. Questions concerning our workers' compensation coverage should be directed to Human Resources.

STATE DISABILITY INSURANCE (SDI)

Employees of First 5 Alameda County who are unable to work due to illness, injury, or pregnancy may be eligible for disability benefits through SDI for the time they are unable to work. SDI is an employee paid benefit that provides for partial replacement of wages lost because of a disability not caused by work. The determination of benefits is up to the state Employee Development Department (EDD). The first seven days of an employee's absence are considered a "waiting period", and no SDI benefits are paid for that period. Information and claim forms can be obtained from the local EDD office or the EDD website: <http://www.edd.ca.gov/disability>.

PAID FAMILY LEAVE (PFL) INSURANCE PROGRAM

First 5 Alameda County employees are also covered under the state-administered Paid Family Leave (PFL) insurance program. PFL is an employee-paid benefit that provides partial wage replacement when an employee is taking approved time off work to care for a seriously ill parent, child, or spouse/registered domestic partner, sibling, grandparent, grandchild, or parent in-law, or to bond with a new minor child.

~~Effective While the state may grant July 1, 2014, PFL benefits will be when an expanded to include an employee is taking leave to's care of for a sibling, grandparent, grandchild, or parent in-law, p. Please note that employees are not eligible for to take Family/Medical Leave under FMLA/CFRA for these situations. However, employees who wish to request a leave of absence~~

to care for a sibling, grandparent, grandchild, or parent in-law should request a Personal Leave of Absence as described in the Leave of Absence section of this Handbook.

Up to six (6) weeks of PFL benefits may be paid in a twelve (12) month period. The determination of benefits is up to the state Employee Development Department. Employees must generally serve a seven (7) day waiting period before PFL benefits begin. Information and claim forms are available from the local EDD office, from the EDD website at: http://www.edd.ca.gov/Disability/Paid_Family_Leave.htm, or by calling 1-877-238-4373.

LONG TERM DISABILITY INSURANCE

All regular full-time and part-time employees who are regularly scheduled to work 20 or more hours per week may apply to purchase long term disability insurance from a designated broker. Payment for such insurance is made by an after-tax deduction from the employee's gross salary.

DEFERRED COMPENSATION

Regular, full-time and regular, part-time employees may participate in the Alameda County Deferred Compensation Plan. Contributions to the plan may be made on either a pre-tax or after-tax basis through payroll, and may be placed in various investment vehicles. Employees may enroll or change their deferred compensation election at any time during the year; however, any requested changes will not be effective until the month following receipt of the requested change by Human Resources. For more information, visit www.acgov.org/treasurer/deferred.htm.

EXECUTIVE BENEFIT PACKAGE

The Commission may provide an Executive Benefit Package to the Chief Executive Officer. The components of the package are at the discretion of the Commission. Any Executive Benefit Package must be detailed in writing, signed by the Chair of the Commission and the Chief Executive Officer, and placed in the Chief Executive Officer's personnel file.

PART FIVE: PAID TIME OFF

VACATIONS

First 5 Alameda County provides paid vacation time to regular employees so that they may take time off to relax, recuperate and recharge.

Regular full-time employees earn paid vacation time on the following schedule, beginning with the first day of regular employment ~~(defined for purposes of this section as the first day of employment with FSAC in a regular status classification unless otherwise memorialized in writing at the time of hire)~~:

<u>Service Year</u>	<u>Total Possible Annual Accrual</u>
1–3 years:	10 days each calendar year (80 hours)
4–10 years:	15 days each calendar year (120 hours)

11-20 years: 20 days each calendar year (160 hours)
21+ years 25 days each calendar year (200 hours)

Regular part-time employees who are regularly scheduled to work twenty (20) or more hours per week earn paid vacation time on a pro-rated basis based on the number of hours worked per week. No other classification of employees earns paid vacation time.

Accrued vacation time cannot be taken until six months after your first day of employment.

Employees may accrue vacation time up to two (2) times their annual accrual, as set forth above. Once an employee reaches this cap on accrual, he/she will cease accruing vacation until sufficient vacation time is taken ~~that to~~ reduces the employee's balance to below the cap. Any unused vacation time ~~may be~~ rolled over into the following year, up to the cap.

~~Regular part-time employees who are regularly scheduled to work twenty (20) or more hours per week earn paid vacation time on a pro-rated basis based on the number of hours worked per week. No other classification of employees earns paid vacation time.~~

All vacation time must be requested, preferably in writing, and approved in advance.

First 5 Alameda County encourages employees to use their accrued vacation time. Employees may, however, request to receive a vacation pay-out for some of their accrued unused vacation in lieu of taking paid time off work. Vacation pay-out is limited to the number of hours that an employee accrues in one calendar year under this policy, and employees who request a vacation pay-out are required to have one year's accrual remaining after the pay-out.

Upon termination of employment, employees will be paid for any accrued, unused vacation.

First 5 Alameda County does not make any advance payments of vacation time (i.e., employees ~~may will~~ not be paid for vacation time before it is accrued). As a public agency, however, and pursuant to principles of public accountability, First 5 Alameda County may grant time off without pay to an employee, whether exempt or non-exempt, who needs time off for personal reasons and who has exhausted his/her accrued paid vacation and PTO leave. ~~If time off is granted in this circumstance, if any, First 5 Alameda County will proportionately reduce the pay of the is limited employee for that time off, up to a maximum of three (3) days. If an employee needs additional time away from work, the time off, if authorized, will be considered the employee should request to be~~ a Personal Leave of Absence. Please refer to the Personal Leave of Absence policy for more information.

HOLIDAYS

First 5 Alameda County generally observes the following holidays:

New Year's Day	Labor Day
Martin Luther King Jr. Day	Veteran's Day
Lincoln's Birthday	Thanksgiving Day
Washington's Birthday	Friday after Thanksgiving

Memorial Day
Independence Day

Christmas Day

All regular full-time employees are provided a paid day off for each holiday. ~~Employees on vacation at the time a holiday occurs will not have that day counted as vacation pay.~~ Part-time employees and employees with a flexible work schedule who are regularly scheduled to work on a holiday will be paid for that holiday up to the number of hours regularly scheduled to work. No other classification of employees is eligible for holiday pay.

Employees on vacation at the time a holiday occurs will not have that day counted as vacation pay, but will instead receive holiday pay as described above.

PAID TIME OFF (PTO)

All regular full-time employees receive 56 hours (7 days) of paid time off (PTO) each year in addition to vacation and sick leave and F5AC's regular holidays. PTO allows employees to have additional paid leave to cover absences for personal reasons such as religious observances or to supplement vacation, sick and holiday leave. Eligible employees will receive 56 hours of PTO on January 1 of a given year; eligible employees hired during a calendar year receive a PTO allocation at the time of hire that is prorated based on the hire date. Eligible employees may request to use PTO on or following the day that it is received, including new employees who may request to use PTO during their introductory period.

Regular part-time employees will be granted PTO hours pro-rated based on the percentage of time they are regularly scheduled to work, and on the schedule described above. No other classification of employees receives PTO.

The total amount of PTO an employee may have in his/her account at any time is 56 hours (pro-rated as described above for part-time employees). Employees may carry over unused PTO to subsequent years. However, in the succeeding year, employees will receive on January 1 only the number of PTO hours that will bring their total to 56 hours.

~~Regular part-time employees will be granted PTO hours pro-rated based on the percentage of time they are regularly scheduled to work, and on the schedule described above. No other classification of employees receives PTO.~~

Upon termination of employment, employees will be paid for any unused PTO.

SICK TIME

Sick time provides ~~regular full and part-time~~ employees with paid time off to recover from illness or injury, ~~or~~ to care for seriously ill family members, or for an employee who is a victim of domestic violence, sexual assault or stalking to obtain relief, including medical attention and psychological counseling. For purposes of this section "immediate family" means mother, stepmother, father, stepfather, husband, wife, domestic partner, son, stepson, daughter, stepdaughter, grandparent, grandchild, brother, sister, foster parent, foster child, mother-in-

law, and father-in-law, or any other person sharing the relationship of in loco parentis; and, when living in the household of the employee, a brother-in-law or sister-in-law.

Sick time may also be used for health care appointments that cannot be scheduled outside work hours.

Accrual and Payment

Eligible regular full-time employees may accrue sick time at the rate of .5 days (4 hours) per pay period of service for a total possible accrual of thirteen (13) paid sick days per year. Regular part-time employees accrue sick time on a pro-rated basis, based on the number of hours they are regularly scheduled to work. Eligible ~~new~~ ~~new-regular~~ employees may use accrued sick time during their introductory period, during their introductory period beginning on their hire date, and may use paid sick time as soon as it accrues.

Temporary employees, whether full-time or part-time, shall be provided with three days (24 hours) of sick time at the time of hire, and on January 1 of each year. Temporary employees may not use sick time until their ninetieth (90th) day of employment.

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Regular employees' aAccrued, unused sick time may be carried over from one year to the next, and there is no limitation on the amount of sick time a ~~regular~~ employee may accrue. Sick time balances for temporary employees may not be carried over to the next year.

No payment is made for accrued, unused sick time upon separation or at any other time. However, regular employees who are rehired within twelve (12) months shall have their sick leave balance at the time of separation reinstated. Temporary employees who are rehired within 12 months from their date of separation shall also have their sick leave balance reinstated and will be provided with three days of sick time, as described above, up to a combined maximum of six (6) days of sick time.

Sick Time Use

Employees are responsible for directly notifying their supervisor prior to the start of the business day (or no later than one hour following their regularly scheduled start time) when prevented from starting or continuing a workday due to illness or injury. Employees must also keep their supervisor informed about the expected duration of the time away from work.

In most circumstances, a doctor's statement is required when an employee uses more than five (5) consecutive days of sick time (either for himself/herself, or to care for an ill family member) or when an accumulation of absences seems to establish (in the supervisor's judgment) a problematic use of sick time. However, First 5 Alameda County may request verification of the reasons for any use of sick time, regardless of duration.

Employees may use sick time to care for ill family members, but the same verification requirements apply in these instances.

If sick leave is exhausted, regular employees may request or be required to use vacation and/or PTO leave. Such requests must be approved by First 5 Alameda County.

First 5 Alameda County does not make any advance payments of sick time (i.e., employees may not ~~be paid for use~~ sick time before it is accrued). As a public agency, and pursuant to principles of public accountability, First 5 Alameda County may give time off without pay to an employee, whether exempt or non-exempt, who needs time off due to personal or family illness or injury as allowed above and who has exhausted his/her accrued paid leave (sick, PTO, and vacation). ~~In this circumstance, First 5 Alameda County will proportionately reduce the pay of the employee for that time off.~~

LEAVE OF JURY DUTY OR IN ANSWER TO SUBPOENA

Leave shall be granted to permit an employee to serve jury duty, or to serve witness duty in answer to a subpoena. The Agency will provide paid time off for a maximum of two weeks on any occasion that a regular employee is required to serve jury or witness duty. If additional jury duty leave is required beyond the two-week period, leave shall be provided as unpaid time off, and the employee serving jury/witness duty may elect to use any accrued paid vacation and/or PTO time during the unpaid portion of the leave.

Proof of attendance from the court will be required in order to receive jury/witness duty pay. When an employee is excused from jury or witness duty in time to report for at least one-half of his/her regularly scheduled shift, the employee is required to report for duty.

BEREAVEMENT LEAVE

Leave of absence with pay because of death in the immediate family of a regular full-time employee may be granted by the supervisor for a period up to five days per calendar year. Regular part-time employees may be granted bereavement leave pro-rated based on the percentage of time regularly scheduled to work. For purposes of this section, "immediate family" means mother, stepmother, father, stepfather, husband, wife, registered domestic partner, son, stepson, daughter, stepdaughter, grandparent, grandchild, brother, brother-in-law, sister, sister-in-law, foster parent, foster child, mother-in-law, and father-in-law, or any other person sharing the relationship of in loco parentis with the employee.

PART SIX: UNPAID TIME OFF AND LEAVES OF ABSENCE

First 5 Alameda County (F5AC) provides unpaid leaves of absence to eligible employees in a variety of circumstances. Information concerning legal requirements applicable to leaves of absence is posted in the workroom. Employees who are considering requesting a leave of absence are encouraged to meet with the Human Resources Administrator as early as possible to discuss the details of the leave and to coordinate the integration of benefits and payroll.

Employees may request a leave of absence without pay for personal or family illness, qualifying exigency arising from a call to active duty, or justifiable personal or other reasons. "Without pay" means that F5AC will not pay for time on leave except for accrued, unused vacation, PTO, and/or sick leave that the employee uses consistent with this policy. The employee must submit

a written request to his/her supervisor as far in advance of the leave as possible. Generally, no benefits or seniority shall accrue during any unpaid portion of the leave. Human Resources will explain to employees requesting unpaid leave how to continue health plan coverage while on a leave of absence.

The Following General Information is Applicable to All Unpaid Leaves

REQUESTS FOR LEAVE

As soon as an employee learns of the need for a leave of absence, the employee should submit a written request for leave to his/her supervisor and provide a copy to Human Resources. Request forms are available from Human Resources and on the F5AC intranet. If the need for the leave is foreseeable, employees are required to provide at least 30 days' advance notice. Approval of the leave may be delayed if timely notice is not provided. If the employee learns of the need for leave less than 30 days before the leave is needed, the request must be made as soon as possible.

INTEGRATION OF BENEFITS

If an employee on leave is receiving State Disability Insurance ("SDI") or Paid Family Leave ("PFL") or Workers' Compensation benefits, and the employee has not exhausted his/her accrued paid benefits with First 5, First 5 will generally integrate the outside paid benefit with the employee's accrued paid benefit (to the extent permitted by law) so that total compensation for the pay period does not exceed the employee's regular wages for that pay period. ~~This provision does not apply to:~~

- ~~• The accrued vacation and PTO benefits of employees on Pregnancy Disability Leave ("PDL") who are not FMLA (Family Medical Leave Act) eligible, and/or~~
- ~~• The accrued vacation, PTO, or sick leave benefits of employees on FMLA leave for their own serious health condition.~~

~~However, under either of the above exceptions, employees may elect to use their paid leave to supplement their disability benefits up to an amount that, when combined with the disability benefit, does not exceed their regular pay for the period.~~

Employees on approved leaves under this section, who receive SDI or PFL or Workers' Compensation benefits, must promptly notify the Human Resources Administrator of the dates and amount of payment(s) so that F5AC can make arrangements for the integration.

MEDICAL CERTIFICATION

Human Resources will notify the employee if medical certification is required for a requested leave to be approved. If the reason for leave is the employee's own injury or illness, medical certification of the employee's ability to return to work, with or without reasonable accommodation, at the conclusion of the leave is required before the employee will be permitted to return.

CONCURRENT RUNNING OF LEAVES

If an employee is on a leave that qualifies under more than one law (e.g. leave for a serious health condition under the FMLA/CFRA that is also a Workers' Compensation injury), the leave time will run concurrently to the extent permitted by law.

NO LEAVE TO ACCEPT OUTSIDE EMPLOYMENT

A request for a leave of absence with or without pay for the purpose of working for an employer other than First 5 Alameda County will not be granted.

UNPAID LEAVES

The most common types of unpaid leaves are described below. Please see Human Resources for additional information about any leaves of absence, or if you have a need for leave that is not covered by the descriptions below.

Family/Medical Leave under the Family Medical Leave Act and California Family Rights Act ("FMLA"/"CFRA")

Eligible employees may request an unpaid leave of up to 12 workweeks in a rolling 12-month period for any of the following reasons:

- To care for the employee's child after birth, or following placement for adoption or foster care ("baby bonding");
- To care for the serious health condition of the spouse, registered domestic partner, child, or parent of an employee;
- For the employee's serious health condition; or
- To handle "qualifying exigencies" arising out of the fact that the employee's spouse, registered domestic partner, child, or parent is on active duty, or is called to active duty, in support of contingency operations as a member of the National Guard or Reserves.

In addition, eligible employees may be entitled to take a leave of up to 26 weeks in a 12-month period to care for a spouse, registered domestic partner, parent, child, or next-of-kin who has sustained serious illness/injury in the line of [military](#) duty.

Eligible employees are those who have at least one year of service with First 5 Alameda County, and who have worked at least 1,250 hours in the 12 month period before the date the requested leave will begin.

Generally, employees taking FMLA/CFRA leave must use accrued paid sick (if applicable), PTO, and vacation time during the leave. The exceptions to this are:

- Employees on FMLA/CFRA leave for their own serious health condition and who are receiving temporary disability benefits (SDI) or workers' compensation benefits may elect to use their paid leave to supplement their disability benefit up to an amount that, when combined with the disability benefit, does not exceed their regular pay for the pay period.

- Employees taking leave to care for a family member or for baby bonding are required to use accrued vacation or PTO. They are not required to use accrued sick leave, but may elect to do so, and may elect the order in which accrued leave is used.
- Employees on FMLA leave for pregnancy disability may elect whether or not to use PTO or vacation time during the leave.

Employees on FMLA/CFRA leave retain their employer-paid health insurance up to a maximum of 12 weeks in a rolling 12-month period. Employees who are concurrently taking pregnancy disability leave (“PDL”) remain covered by F5AC health insurance during their approved PDL.

Employees who are eligible for and request baby bonding leave under CFRA may request additional unpaid leave, but total leave taken may not exceed six (6) months when combined with PDL and/or FMLA/CFRA unless otherwise required by law.

Upon expiration of an authorized leave, employees will be returned to the same, or to a comparable, position to the extent required by law.

Non-FMLA/CFRA Medical/Family Leave

Employees who have at least one year of continuous service with F5AC, and who are not eligible for leave under the FMLA/CFRA may nonetheless request a leave for any of the reasons allowed for FMLA/CFRA leaves. The employee must provide evidence of one of the reasons for leave as stated in the FMLA/CFRA, and provide 30 days’ notice if the need for the leave is foreseeable.

If approved, in most cases, leaves of this type will not exceed a maximum duration of eight (8) work weeks within a rolling 12-month period. Generally, employees must exhaust any and all accrued sick leave (if applicable), PTO, and vacation time during the leave.

Employees on this leave who are otherwise eligible for paid health insurance with First 5 will have paid health insurance coverage through the end of the pay period in which their unpaid leave commences. Thereafter, employees may continue coverage under First 5’s group insurance plans at their own expense. The sole exception to this is employees on pregnancy disability leave, who remain covered by F5AC health benefits during their approved leave.

Upon expiration of an authorized leave of this kind, employees will normally be returned to the same, or a comparable position, to the extent required by law.

“Reasonable Accommodation” Leave

An employee with a protected disability under the Americans with Disabilities Act (“ADA”) and/or the Fair Employment and Housing Act (“FEHA”) may request a leave of absence as a reasonable accommodation that will enable the employee, after the leave, to return to work and perform the essential functions of his/her position with or without a reasonable accommodation.

~~Where the existence of the disability and/or need for leave as a reasonable accommodation is not obvious,~~ First 5 will generally require the employee to obtain and provide reasonable medical documentation from a health care provider in support of the leave request.

Reasonable medical documentation is that which sets forth: 1) the name and credentials of the health care provider; 2) that the employee has a medical condition or physical or mental condition that limits a major life activity; and 3) a description of why the employee needs a leave of absence as a reasonable accommodation in order to perform his/her job duties.

The duration of leave under this section will be depend on the circumstances involved, which First 5 will evaluate on a case by case basis.

Employees on leave under this section must exhaust accrued paid sick (if applicable), PTO, and vacation time during the leave.

Employees who are otherwise eligible for paid health insurance with First 5, and who are not concurrently taking FMLA/CFRA or PDL leave, will have paid health insurance coverage through the end of the pay period in which the ~~unpaid portion of their~~ leave commences. Thereafter, employees may continue coverage under First 5's group insurance plans at their own expense.

Upon expiration of an authorized leave under this section, employees will be returned to the same, or to a comparable, position to the extent required by law.

Pregnancy Disability Leave ("PDL")

Employees who are disabled and unable to work due to pregnancy, childbirth, or a related condition are eligible to request a leave of up to four months per pregnancy. Related conditions include, but are not limited to, severe morning sickness, the need for prenatal or postnatal care, postpartum depression, gestational diabetes, preeclampsia, mastitis, and loss or termination of the pregnancy and recovery therefrom.

PDL does not need to be taken all at once, but can be taken on an as-needed basis as required by the employee's health care provider, including intermittent leave or a reduced work schedule, all of which counts against the employee's four month entitlement.

Employees on PDL are required to use accrued sick time during the leave, and may elect to use, or not to use, accrued vacation and PTO. However, employees who are FMLA-eligible, and concurrently taking PDL leave, **and** receiving benefits under SDI, may use their accrued leave to supplement their disability benefit up to an amount that, when combined with the disability benefit, does not exceed their regular pay for the pay period.

Employees on PDL retain their employer-paid health insurance during their approved leave (i.e., up to a maximum of four months). Eligible employees who take CFRA leave for baby bonding (or other qualifying reason) following their PDL leave, may receive employer-paid health insurance for up to an additional 12 workweeks.

Employees returning from PDL will be returned to the same, or a comparable position, to the extent required by law.

Workers' Compensation Leave

Employees who are temporarily unable to work due to a job-related illness or injury may be eligible for a leave of absence until the earlier of the following:

- The employee is released to return to work; or
- The employee is determined to be permanently unable to return to his/her usual duties.

Employees must exhaust all accrued sick, vacation, and PTO during this leave. The exception to this is that employees receiving workers' compensation benefits whose leave runs concurrent with FMLA/CFRA leave are not required to use their paid leave but may elect to do so in order to supplement their disability benefit up to an amount that, when combined with the disability benefit, does not exceed their regular pay for the pay period.

Employees who are otherwise eligible for paid health insurance with First 5, and who do **not** have FMLA/CFRA leave running concurrently, will have paid health insurance coverage through the end of the pay period in which the unpaid portion of their leave commences. Thereafter, employees may continue coverage under First 5's group insurance plans at their own expense.

Employees returning from workers' compensation leave will be returned to the same, or a comparable position, to the extent required by law.

Personal Leave of Absence

In addition to the previously described leaves, and in an effort to recognize the needs of employees for time off in addition to vacation or PTO, First 5 Alameda County may consider granting a personal leave of absence without pay. Personal leaves are limited to a maximum of two months in any two year period (measured in a rolling 24-month period). Personal leaves may generally not be added to any of the previously described leaves.

All regular employees of First 5 Alameda County who have completed their introductory period may request an unpaid personal leave of absence. Job performance, attendance problems, and work/program requirements will all be taken into consideration before a request is approved. Requests for unpaid personal leave may be denied or granted by First 5 within the sole discretion of the Agency.

Personal leaves of absence must be requested in writing, and 30 days advance notice is required if the need for leave is foreseeable. All requests must be reviewed and recommended by the supervisor and the Human Resources Administrator, and approved by the CEO or Deputy COO Director.

Employees are required to exhaust any and all accrued sick (if applicable), vacation, and PTO time prior to requesting an unpaid personal leave of absence.

While on an unpaid personal leave, insurance benefits may be continued at the employee's own expense.

An employee is required to return from the personal leave on the originally scheduled return date. If the employee is unable to return, he/she must request an extension of the leave in writing within five (5) business days before expiration of the leave, explaining the reason for and requested duration of the additional leave sought. If the leave is not extended, the employee must return to work on the originally scheduled return date or be considered to have voluntarily resigned from his/her employment. Extensions of leave are considered only on a case-by-case basis.

Upon expiration of an approved personal leave, the employee will generally be returned to the same or comparable position, but there is no guarantee of reinstatement following a personal unless F5AC cannot do so for reasons unrelated to the leave.

CATASTROPHIC SICK LEAVE BANK

An employee may be eligible to receive donations of paid leave to be included in the employee's sick leave balance from other employees if he/she has suffered a catastrophic illness or injury, or must care for an immediate family member (as defined in the Sick Time policy of this Handbook) who has suffered a catastrophic illness or injury. Catastrophic illness or injury is defined as a critical medical condition considered to be terminal or a long-term major physical impairment or disability, and which prevents the employee from working his/her usual hours, or from working at all.

The Catastrophic Leave ("CL") Program is designed to be as confidential as possible, and is strictly voluntary. The donor of Employees who donate benefits to the CL bank will be made aware of the value of their donation to the bank. The recipient of CL benefits will be made aware of the value of their benefits received from the CL bank. Individual donations, and the identities of donors and recipients of benefits, are confidential, will not be disclosed except on a need-to-know basis for administrative purposes.

Any First 5 Alameda County employee who is eligible for sick leave is eligible to participate in the Catastrophic Leave Bank, either by donating paid vacation leave, or by requesting a donation.

To be considered for a CL Bank donation, the recipient requesting employee, family member of the recipient requesting employee, or another person designated in writing by the recipient requesting employee must submit a request for such a donation to First 5 Alameda County Human Resources Department, 1115 Atlantic Avenue, Alameda, CA 94501. The Human Resources Administrator, in consultation with the Chief Executive Officer, will administer the Catastrophic Leave Bank.

The recipient requesting employee must ~~sign an authorization allowing his/her health care provider to provide release~~ to F5AC a medical verification of the employee's qualification for this CL program, including an explanation of the employee's work limitations and estimated date of return to work, if applicable. If the employee requesting CL benefits has left work to care for a critically ill family member, medical documentation confirming the critical illness/injury of the family member, the need for the employee's care, and the expected duration of the care period is required for the family member.

The determination of whether to award an employee donations from the catastrophic sick leave bank shall be at First 5 Alameda County's sole discretion and shall be final (i.e., not subject to challenge).

The recipient requesting employee is not eligible to receive and use donations so long as she/he has paid leaves available, however, the request may be initiated prior to the anticipated date leave balances will be exhausted. No retroactive requests will be permitted (i.e., employees will not be granted to request donations for time off already treated as unpaid leave). Exhaustion of paid leaves alone is not sufficient justification for requesting a donation from the catastrophic leave bank.

A recipient requesting employee ~~is may be~~ eligible to receive up to a total of 40 working days of donated time throughout the duration of his/her employment. Donations will be ~~made to considered for recipients requesting employees~~ on a first-come, first-served basis. Donations from the bank may be received only if there are funds available in the bank.

Periodically, F5AC may notify all employees that they may choose to donate to the bank, particularly at year-end.

The donor employee may donate accrued paid vacation time only. The donor's hourly value of paid vacation time donated will be converted into a dollar value and deposited into the bank. ~~Recipient~~ CL leave will be withdrawn from the bank and converted into paid sick hours to be granted to eligible requesting employees.

Donations shall be made in half day increments. Once the donation is made, and deposited in the CL Bank, it is a final transaction and cannot be retrieved by the donating employee, and are irrevocable. The maximum that may be donated in a calendar year is ten donor days per employee, except that a husband and wife or registered domestic partners, both employed by First 5 Alameda County, may donate unlimited amounts of paid vacation time between one another. ~~Further~~ In any case, donations that would result in vacation leave balances falling below 40 hours are not permitted.

When using donated CL bank leave, disability benefits will be integrated with donated sick leave, just as they are when non-donated sick leave is used.

PART SEVEN: WORK HOURS AND PAY

PAY PERIODS

For all employees, the standard pay period is biweekly. Paychecks are distributed every other Friday.

WORK SCHEDULES

Although for most employees the regular work schedule is from 8:30 a.m. to 5:00 p.m. Monday through Friday, other employees may have different work schedules if agreed upon by the employee and his or her supervisor, and memorialized in writing and reviewed by Human Resources, and subject to the demands and limitations of the job and department. Supervisors have final approval for flextime requests and retain the authority to require the employee to return to a regular schedule should organizational need require it. Additional information about flextime options is available from Human Resources.

MEAL PERIODS

Non-exempt employees who work five (5) hours or more should take an unpaid lunch break of a minimum of thirty (30) minutes (up to one (1) hour if desired) towards the middle of their work day during which no work should be performed. When being relieved of all duties during lunch is not possible due to work requirements of First 5 Alameda County, employees will be paid for their meal period. Employees may not skip meal breaks to shorten the workday without prior approval from their supervisor.

TIMEKEEPING REQUIREMENTS

Non-exempt employees must accurately complete and submit time sheets to be approved by their supervisor or manager for each pay period. Non-exempt employees record actual hours worked and leave taken; non-exempt employees must report all hours worked and are prohibited from performing any work "off the clock". Exempt employees should accurately complete a time sheet for each pay period showing their regular work schedule and leave taken.

OVERTIME PAY

First 5 Alameda County provides overtime compensation to non-exempt employees for all hours worked in excess of 40 hours per workweek. All overtime must be approved in advance by the supervisor and the Chief Executive Officer (or the Chief Operating Officer in the CEO's absence).

At the option of the employee, First 5 Alameda County provides compensatory time off (CTO) as a substitute for overtime pay, for all hours worked in excess of 40 in the workweek, at the rate of one ~~time~~ and one-half hours of paid time off for each hour of overtime worked, up to a maximum of 240 ~~compensatory time off~~ CTO hours. Any employee wishing to receive CTO under this policy must have a written CTO agreement on file with HR in advance of performing the overtime work.

~~All overtime must be approved in advance by the supervisor and the Chief Executive Officer.~~

When the employee takes off the compensatory time earned shall be determined between the employee and his or her supervisor; however, employees are encouraged to take compensatory time off as soon as possible after it is earned. F5AC will not unreasonably deny such requests.

Vacation, PTO, holiday, and sick time do not constitute hours worked for the purposes of computing overtime.

BILINGUAL PAY

If an employee is required by his/her job duties to use a second language at least 20% of the time on the job ~~(in the sole discretion of F5AC)~~, the employee’s supervisor may request that she/he be given bilingual pay. The process involves the employee ~~being given~~ passing a language proficiency exam administered through the Alameda County Health Care Services Agency (or an alternative testing agency designated by First 5). If the eligible employee passes the test, a taxable salary augmentation will occur each pay period in an amount consistent with the bilingual pay rate of Alameda County.

Supervisors should contact Human Resources to schedule testing for eligible employees. Supervisors must also confirm that the employee is continuing to use the second language at least 20% of the time and reauthorize bilingual pay as appropriate, on an annual basis.

PAYROLL DEDUCTIONS

Your payroll and earnings deductions are detailed with your paycheck. Mandated and voluntary deductions usually include the following:

Deductions Mandated by Federal and State Law	Voluntary Deductions
Federal income tax	Health and Dental insurance
State income tax	Health Flexible Spending Account
Social Security, Medicare contributions	Dependent Care Flexible Spending Account
State disability insurance	Supplemental Life Insurance
Garnishments, wage attachments	Deferred Compensation
Employee contribution to ACERA	Long Term Disability Insurance

Any questions about your paycheck should be directed to the Human Resources Administrator or Finance Manager.

PART EIGHT: WORKPLACE HEALTH AND SAFETY

DRUG-FREE WORKPLACE

As part of First 5 Alameda County’s ongoing commitment to a safe and healthy workplace, we maintain a drug-free workplace. Any employee who reports to work while under the influence of drugs or alcohol runs the risks of endangering his or her safety and the safety of others,

destruction of or damage to personal or F5AC property, and a loss of productivity and workplace morale.

All employees of First 5 Alameda County are required to understand and comply with F5AC's drug-free workplace policy. Employees either in our offices or conducting business on behalf of F5AC regardless of location are prohibited from all of the following:

- Unauthorized use, possession, purchase, sale, manufacture, distribution, transportation, or dispensation of ~~any controlled substance~~ alcohol or drugs
- ~~Reporting to work while under the influence of alcohol or a controlled substance~~ drugs. Controlled substances include, but are not limited to, narcotics (such as heroin and morphine), cannabis (marijuana [when not recommended by the employee's physician to benefit the employee's health under the Compassionate Use Act] and hashish), stimulants (such as cocaine and amphetamines), depressants (tranquilizers) except by doctor's prescription, and hallucinogens (such as PCP, LSD, and "designer drugs")

If an employee is taking prescription or over-the-counter medications that may impair his/her ability to work safely, the employee should inform his/her supervisor of that fact prior to commencing work.

- ~~Use, possession, purchase, sale, manufacture, distribution, transportation, or dispensation of any legal prescription drug in an illegal or unauthorized manner~~
- ~~Reporting to work while impaired by the use of a legal drug whenever such impairment might substantially interfere with performance of essential job functions or pose a threat to the employee's safety or the safety of others, or risk significant damage to F5AC property~~

SMOKING

Smoking, including the use of e-cigarettes, is prohibited in all First 5 Alameda County offices, and while conducting F5AC business, regardless of location.

PART NINE: WORK PRACTICES AND ENVIRONMENT

PUNCTUALITY AND ATTENDANCE

Employees who are unable to report for work for any reason must notify their immediate supervisor prior to the start of the business day (or no later than one hour following their regularly scheduled start time). Employees must also keep their supervisor informed about the expected duration of the time away from work.

In general, all employees are expected to be responsible and demonstrate respect for fellow employees by establishing a record of punctuality and regular attendance. These are factors considered in evaluating overall job performance.

Frequent lateness or excessive absenteeism is not generally tolerated. may, depending on the circumstances, result in disciplinary action up to and including termination.

USE OF FACILITIES AND PROPERTY

Employees are asked to treat F5AC property as they would their own. Specifically, employees are to keep their work area and F5AC common areas clean and well maintained and limit their use of F5AC equipment to work-related purposes. Employees are required to receive written supervisory approval before removing any F5AC property from the premises. Employees may decorate their own work spaces, as long as such decorations are consistent with F5AC policies and project a professional image appropriate to our work, but ~~are to~~must consult with the Office Manager before displaying items in or making any alterations to public spaces or common areas.

GUESTS AND VISITORS

Employees are asked to keep on-the-job, non-work-related visitors to a minimum to ensure that the workplace is not unduly interrupted. All visitors are required to sign in and out of the First 5 office, and are provided with a visitor badge to wear while in the First 5 office. Visitors should remain in the reception area until escorted by the appropriate employee.

SECURITY

First 5 Alameda County strives to provide a secure work environment for our employees, volunteers, clients, and visitors. Our building is equipped with an alarm system that is activated during non-business hours, and exterior doors (with the exception of the front entrance and conference center entrance which are unlocked during business hours) are locked at all times. You are required to comply with all F5AC security procedures and immediately report any breach of security to your supervisor.

We encourage employees to be prudent about bringing personal items to work. First 5 Alameda County is not responsible for losses resulting from theft of property.

Immediately report lost or stolen keys/fobs or missing F5AC property to your supervisor. Copying or giving F5AC keys/fobs, alarm codes, or lock combinations to an unauthorized individual is strictly prohibited.

BREASTFEEDING-FRIENDLY WORKPLACE

First 5 Alameda County recognizes that breastmilk is the optimal food for growth and development of infants, and First 5 Alameda County encourages employees and management to have a positive, accepting attitude toward working women and breastfeeding. First 5 Alameda County promotes and supports breastfeeding and the expression of breastmilk by employees who are breastfeeding ~~when they return to work~~their babies.

It shall be the policy of First 5 Alameda County to provide:

- Information about breastfeeding support ~~after returning to work to employees~~ prior to their leave for pregnancy disability or related condition.

- Reasonable time to express milk or breastfeed ~~upon return to work~~. Supervisors are encouraged to consider flexible break times, schedules, or other reasonable accommodation to meet employees' needs.
- A designated Lactation Room within the First 5 Alameda County office, which shall be furnished with an electrical outlet, refrigerator for storage of expressed breastmilk, comfortable seating, a table, and appropriate furnishings/signage to ensure privacy.

CHILDREN IN THE WORKPLACE

First 5 Alameda County values family and work/life balance, and strives to create an employee-friendly workplace. Our employment policies and benefits reflect our beliefs. First 5 Alameda County also believes in creating an environment that is conducive to work. In general, therefore, the workplace should not be used in lieu of child care.

While First 5 Alameda County is sensitive to our employee's child care needs, it is not appropriate for minor children and other minor relatives of employees to be in the workplace during working hours, except for brief visits. This policy has been adopted to minimize potential liability to First 5 Alameda County, the risk of harm to children, and decreased employee productivity due to distractions and disruptions.

We recognize that there are occasions when childcare is not available and work demands are such that the employee needs to be available for work. In those situations, the employee may request to work from home on a temporary basis, or, if the work must be done in the office, may request to bring in their child(ren) for a short period of time. In those cases where children are in the workplace, they must be directly supervised by the parent at all times. In the interest of maintaining the health and well-being of all F5AC employees, children ~~that who~~ are ill should not be brought to the workplace except for brief visits to enable the parent to gather work materials or take care of urgent matters that cannot be handled from outside the office. Employees may consult First 5 Alameda County's Employee Assistance Program for assistance with finding emergency care providers to care for sick children.

Situations like these should occur infrequently and not be a regular way of managing the employee's ~~work responsibilities~~ childcare obligations. If the frequency, length or nature of children in the workplace becomes problematic, the employee will be advised of the situation by his/her supervisor and will be expected to take corrective action.

TELECOMMUTING

Telecommuting is a work arrangement in which some of the employee's work is performed at home. Telecommuting is a privilege that may be appropriate for some employees and some jobs. It is not an entitlement or Agency-wide benefit. A telecommuting arrangement in no way changes any other terms or conditions of employment with First 5 Alameda County.

Telecommuting can be informal, such as occasionally working from home for a short-term project, or formal as described below. All informal telecommuting arrangements are made on a case-by-case basis at the discretion of the supervisor and are memorialized in writing in advance. While informal telecommuting arrangements are not the focus of this policy,

supervisors should know the specific work to be performed and the projected amount of time expected before granting permission for short-term, informal work at home arrangements. All employees who telecommute, even if only on an informal basis, are responsible for ensuring accurate and timely reporting of hours worked (if employee is non-exempt), a safe home workplace, and taking appropriate steps to safeguard F5AC confidential information.

Requests for a regular, formal telecommuting arrangement are considered on a case-by-case basis when an employee's work can reasonably be carried out from home without unduly impacting either the employee's own level of work productivity or that of his/her fellow employees. In general, telecommuting requests are considered only for employees who have been employed at First 5 Alameda County for a period of at least one year, have received above satisfactory performance reviews, and have demonstrated their ability to manage their work independently. Due to the high degree of interaction required for most positions at First 5 Alameda County, telecommuting schedules are generally limited to one (1) day per week, or a maximum of 25% of the employee's regularly scheduled work hours.

Requests for telecommuting arrangements must be made in writing utilizing F5AC's Telecommuting Application Form, will be considered by the supervisor and Senior Administrator (if applicable), and require approval by the CEO. If the telecommuting arrangement is approved, the employee will be required to sign a Telecommuting Agreement, and to complete a self-certification safety and security checklist of their home-based work location prior to the commencement of telecommuting.

If approved, aAny formal telecommuting arrangement made will be on a trial basis for the first three (3) months. Telecommuting arrangements are reviewed by the employee and supervisor at least annually, and can be terminated at any time by either party, even during the initial three-month period.

USE OF PERSONAL AUTOMOBILE

Employees who use their own automobiles for travel on authorized F5AC business will be reimbursed for mileage at the rate established by the Internal Revenue Service. Employees must have prior supervisory approval for the use of personal vehicles and must provide to F5AC, in advance of using their personal vehicle, a copy of their driver license and evidence that they obtained at their own expense the minimum insurance coverage for property damage and public liability.

All F5AC employees are required to sign a Use of Personal Automobile Agreement at the time of hire, and employees whose jobs entail driving as an essential function are required to sign an Authorization of Release of Driver Record Information at the commencement of employment.

ATTIRE ~~AND PERSONAL HYGIENE~~

First 5 Alameda County's objective in establishing guidelines for work attire is to enable our employees to be comfortable in the workplace, while also it is expected that employees will maintain a clean and neat appearance and will projecting a professional and businesslike image in dealing with other employees, clients, partners, volunteers, and the general public. The

following guidelines have been developed to provide general parameters for appropriate work attire and to help you to exercise good judgment about similar items that are not specifically addressed.

All employees should wear casual business attire on Mondays through Thursdays, and a clean and neat appearance should be maintained at all times. Casual business attire may include denim skirts or dark, colored, or trouser-style jeans as long as they are professional in appearance and the employee does not have meetings or other work scheduled where customary business attire would be more appropriate. ~~First 5 Alameda County~~F5AC observes “casual Fridays” on which other styles of jeans may be worn, as long as they are appropriate for the workplace, and you are not otherwise notified that business casual attire is more appropriate on a particular Friday. Under special circumstances (storage clean-up, moving furniture, working with children, etc.) casual attire may be worn on work days other than Fridays upon supervisor approval. In all situations, clothing should be comfortable and practical for work, but not distracting or offensive to others. Clothing that is torn, frayed, ripped, or excessively worn and overly casual items are not considered appropriate for the office.

Employees may observe dress and/or grooming practices consistent with their religious beliefs, and any employee requiring special clothing accommodations for any reason should advise his or her supervisor in advance. Supervisors are responsible for interpreting and monitoring dress and grooming standards, including counseling employees whose appearance fails to comply with this policy.

EXPENSE REIMBURSEMENT

Reasonable and customary expenses incurred in the performance of one's job will be reimbursed. Reimbursement requires prior authorization by the employee's immediate supervisor, written approval of actual expenses, and completion of a signed expense reimbursement form with all required documentation/receipts attached. Employees should consult the Finance department or the First 5 Alameda County Procedures Manual for specific instructions.

PARKING

Employees are provided with free parking at the First 5 Alameda County office.

REFERENCES

It is the policy of First 5 Alameda County to provide references about current or former employees to prospective employers. Just as F5AC obtains job-related reference information prior to extending an offer of employment to prospective employees, we believe that providing reference information represents good faith in being part of a community. References may be provided only by Human Resources or the employee's supervisor (or supervisors higher in the line of supervision). All supervisors are provided with training on appropriate reference practices and guidelines.

It is also the policy of F5AC not to disclose any information about employees (other than hire and termination dates, job titles and earnings), unless and until Human Resources has received an original ly-signed Reference Authorization and Release form signed by the employee for whom the reference is requested. This form may be obtained from Human Resources and is provided to all employees at the time that employment is terminated.

Only job-related information may be provided to persons requesting information on current or former employees, and employees providing references must ensure that the information provided is accurate and truthful. Examples of information that may be shared include, but are not limited to information, either positive or negative, regarding performance, team/interpersonal behaviors, attendance, productivity, work quality, etc. When providing references, supervisors and human resources staff are strongly encouraged to access the employee's performance reviews to ensure accurate information is provided. Under no circumstances should information be provided regarding any protected characteristic regarding the employee's (such as race, religion, national origin, health, medical condition, disability status, childrearing, sexual orientation, veteran status, etc.). Nor should any information be provided regarding, workers' compensation history, complaints about alleged discrimination, political views, or similar matters unrelated to job performance.

Before a reference will be provided, prospective employers must complete a waiver form releasing First 5 Alameda County from claims, damages or liabilities that may arise from provision of the reference. This form may be obtained from Human Resources, and may be mailed, faxed or emailed to the prospective employer. It is also the policy of F5AC that whenever an employment reference is given, the person giving the reference must complete a Record of Employee Reference Form so F5AC will have documentation of the information that was provided. This form is to be submitted, along with the waiver form, to Human Resources within one day of any reference being provided.

Except as provided by this policy, all employee information is considered confidential.

PART TEN: INFORMATION AND COMMUNICATION

TECHNOLOGY, VOICE MAIL AND ELECTRONIC MAIL

First 5 Alameda County employees are permitted to use F5AC's voice mail, electronic mail, computers, networking sites and internet access (collectively "Technology Systems") to communicate with others for business purposes. The e-mail system is to be used for F5AC or work-related email only, and not for personal purposes. In no event should First 5 Alameda County's Technology voice or email S systems be used to send jokes, comments or information to others that may be perceived as discriminatory, harassing, offensive, or disruptive, or otherwise in violation of any F5AC policy. Any technology provided by F5AC may not be used to send material that disparages an individual, company, or business entity, or to disclose personal information without authorization.

Employees may not install, copy, stream, or download software onto F5AC computers unless authorized to do so by the Senior Administrator, Evaluation and Technology or the Information

Systems Administrator. Employees are also prohibited from downloading any personal files onto work computers, as this may result in reduced capacity, slower computer speed for all employees, and maintenance and support issues. In addition, it places the employee's computer and the entire First 5 Alameda County network at risk for viruses and other problems.

Employees do not have any right or expectation of privacy in any F5AC Technology Systems and/or computer/electronic resources, including email sent to or received by F5AC computers or transmitted via F5AC's servers and networks. F5AC may monitor and/or search the contents of all voice mail, computer files, and electronic communications (including email) to promote the administration of F5ACs operations and policies or for any other business reason.

All employees are provided training on and required to sign F5AC's Technology Use Agreement at the time of hire and periodically during the course of employment.

SOCIAL MEDIA

Social media can be a fun and rewarding way to share your life and opinions with family, friends and co-workers. Additionally, F5AC has established a social media presence on various outlets that we encourage our employees to connect with to help us spread the word about the great work that we're doing and the services and supports that are available to children and families in Alameda County. However, use of social media also presents certain risks and carries with it certain responsibilities. To assist you in making responsible decisions about your use of social media as it relates to your employment, we have established the following guidelines for appropriate use of social media.

In the rapidly expanding world of electronic communication, *social media* can mean many things. *Social media* includes all means of communicating or posting information or content of any sort on the Internet, including to your own or someone else's web log or blog, journal or diary, personal web site, social networking or affinity web site, web bulletin board or a chat room, or any other form of electronic communication, whether or not associated or affiliated with F5AC. The same principles and guidelines found in F5AC's policies apply to your activities online. Ultimately, you are solely responsible for what you post online. Keep in mind that any conduct on social media or otherwise that adversely affects your job performance, the performance of fellow employees, or otherwise adversely affects staff, volunteers, contractors/grantees, vendors, or any other people who work on behalf of or receive services from F5AC is not permitted.

Know and follow the rules

Carefully read these guidelines, the Discrimination and Harassment, Workplace Conduct, Conflict of Interest, and Confidentiality policies contained in this handbook, and F5AC's Confidentiality Procedures Manual, and ensure your postings are consistent with these and all other F5AC policies. Use sound judgment and common sense as you consider the content of your posts. Inappropriate postings that may include discriminatory remarks, harassment, threats of violence, or similar inappropriate or unlawful conduct will not be tolerated.

Be respectful

Always be fair and courteous to fellow employees, [volunteers](#), contractors/grantees, vendors, or other people who work on behalf of or receive services from F5AC. Remember that colleagues, supervisors, and agency partners often have access to the online content you post. Keep in mind that you are more likely to resolve any work-related complaints by speaking directly with your co-workers or by utilizing our Open Door Policy than by posting complaints to a social media outlet. Nevertheless, if you decide to post complaints or criticism, avoid any content that could reasonably be viewed as [unlawful](#), malicious, obscene, threatening or intimidating, that disparages employees, [volunteers](#), clients, contractors/grantees or vendors, or that might constitute harassment or bullying. Examples of such conduct might include offensive posts meant intentionally to harm someone's reputation or posts that could contribute to a hostile work environment.

Be honest and accurate

Make sure you are always honest and accurate when posting information or news, and if you make a mistake, correct it quickly. Be open about any previous posts you have altered. Remember that the Internet archives almost everything; therefore, even deleted postings can be searched. Never post any information or rumors that you know to be false.

Be conscious about mixing your work and professional lives

- Maintain the confidentiality of F5AC's confidential, private, or sensitive information (see the Confidentiality policy contained in Part Eleven of this Handbook for examples). Do not post internal reports or memos, policies, procedures or other internal business-related confidential or sensitive communications.
- Do not create a link from your blog, website or other social networking site to a F5AC website without identifying yourself as a F5AC employee.
- Express only your personal opinions, and never represent yourself as a spokesperson for F5AC. If F5AC is a subject of the content you are creating, be clear and open about the fact that you are an employee of F5AC; make it clear that your views do not represent those of F5AC and you are not speaking on behalf of F5AC. It is best to include a disclaimer such as "The postings on this site are my own and do not necessarily reflect the views of First 5 Alameda County."
- Do not use your F5AC email address to register on social networks, blogs, or other online tools utilized [primarily](#) for personal/social ~~use~~[purposes](#).
- Refrain from using social media while on work time or on equipment we provide, unless it is work-related as authorized by your supervisor or consistent with F5AC's Technology Use Agreement.

References and endorsements

Employees, including supervisors, are not to provide any references or statements of endorsement for other F5AC employees on social media sites. Any references provided must be done in accordance with our References policy contained in Part Nine of this Handbook.

F5AC's social media presence

First 5 Alameda County has established a social media presence on Facebook (www.Facebook.com/first5alameda), [Twitter \(www.twitter.com/first5alameda\)](https://www.twitter.com/first5alameda), and YouTube (www.youtube.com/first5alameda), and will likely be expanding into other outlets over time.

The Communications team holds the primary responsibility for the content of posts, including a schedule of featured programs and events. Only staff with login credentials may post content on F5AC-affiliated social media sites; other staff that have ideas, suggestions, or resources for posts are encouraged to share them with the Communications team or the Evaluation and Technology department (for YouTube).

For detailed information on our posting strategy and guidelines, please reference the “F5AC on Facebook” document located in the Communication Team folder on the F5AC J: drive.

EMPLOYEE INFORMATION

It is important that personnel files contain up-to-date information regarding each employee. Employees should inform Human Resources immediately whenever there are changes in their personal data, (such as address, telephone number, marital status, domestic partnership, number of dependents, and the person to notify in case of emergency), that may affect their pay or benefits with F5AC.

Employees have the right to inspect their personnel records relating to their performance or to any grievance concerning them during regular office hours, upon written request to the Human Resources Administrator. An inspection request form is available from Human Resources and on the F5AC intranet that employees may use to make their request. Records will be made available for inspection within 30 days of receipt of the written request. An appointment to inspect the file may be made with the Human Resources Administrator, who will accompany the employee while he or she inspects the file. Employees may obtain copies, at their own cost, of any document in their personnel file to the extent required by law. Personnel records are the property of First 5 Alameda County and are not allowed to leave-be taken from the office of the Human Resources Administrator without prior written authorization.

INTERNAL COMMUNICATION

We use bulletin boards, mailboxes, meetings, F5AC’s intranet, and office e-mail to communicate important information to employees on a regular basis. Each of our employees is responsible for reading posted or distributed information on a timely basis.

MEDIA RELATIONS

Employees should not respond to any inquiries or requests received from the media for comments or statements on behalf of F5AC. Instead, employees should refer such requests to the Chief Executive Officer or, if the CEO is unavailable, to the Communications Specialist. The CEO will respond directly or designate another staff member to serve as the F5AC spokesperson.

PART ELEVEN: STANDARDS OF CONDUCT

DISCRIMINATION AND HARASSMENT

First 5 Alameda County does not tolerate discrimination or harassment in the workplace or in a work-related situation based on an individual's race, color, religion (including religious dress and grooming), gender (including pregnancy, childbirth, breastfeeding, or related medical conditions), national origin, ancestry, citizenship, age, marital status, registered domestic partner status, physical disability, mental disability, medical condition, sexual orientation, gender identity, gender expression, genetic information, military or veteran status, having taken a protected leave, or any other basis protected by law, or based on a perception that an individual has any of these characteristics, or based on a perception that an individual is associated with a person who has, or is perceived to have, any of these characteristics.

Harassment may include, but is not limited to, slurs; epithets; derogatory jokes; degrading comments; gestures or physical conduct; or threats that an employee's job, advancement, compensation, assignment, or other benefit is dependent on submission to sexual demands or on toleration of harassment. This policy covers conduct of all F5AC employees, volunteers, and unpaid interns as well as conduct of persons with whom First 5 Alameda County contracts to do business, such as independent contractors, when the conduct is directed at, or involves, a F5AC employee, volunteer, or contractor.

Anyone who believes he or she has been discriminated against or harassed in connection with his or her employment, services, or volunteer capacity at First 5 Alameda County, or is aware of such discrimination or harassment, should notify the Chief Executive Officer or the Human Resources Administrator immediately. A prompt and, to the extent possible, discreet investigation will be conducted, and appropriate corrective action will be taken for any conduct deemed to violate this policy or otherwise to be inappropriate. There will be no retaliation against anyone for complaining of, reporting, or participating in any investigation of a complaint of discrimination or harassment.

Anyone who is found by F5AC to have violated this policy, or whose conduct is found otherwise to be inappropriate, will be subject to appropriate corrective action, up to and including immediate termination of employment.

WORKPLACE CONDUCT

First 5 Alameda County requires of its employees cooperation, efficiency, productivity, and compliance with its policies and procedures, and expects that we treat each other with dignity and respect. Examples of conduct that may result in disciplinary action, up to and including immediate termination, include, but are not limited to, any of the following:

- Substandard job performance
- Excessive tardiness or unauthorized absenteeism
- Rudeness or discourtesy toward a fellow employee, supervisor, volunteer, supporter, or member of the general public
- Fighting, roughhousing, ~~abusive~~, violent, or threatening language or gestures, or conduct that is abusive, hostile, or disrespectful (such as slandering or ridiculing others, making false accusations, humiliating others in public, or ~~excluding a colleague from~~

~~work-related shunning/ostracizing others activities) toward a co-worker, supervisor, board member, volunteer, or any person associated with or served by First 5 Alameda County~~

- Theft of or unauthorized use of F5AC property or the property of another employee ~~without prior authorization~~
- Disregarding established safety or security procedures, or knowingly creating an unsafe work situation for oneself or any coworker
- Refusing to perform a work-related duty when directly instructed to do so by a supervisor or member of management
- Possessing a weapon or firearm on F5AC's property
- Violating any F5AC policy

OPEN DOOR POLICY

First 5 Alameda County has an open door policy that encourages employee participation in decisions that will affect them and their daily professional responsibilities. Employees ~~that-who~~ have a difference of opinion, misunderstanding or conflict with another First 5 employee are encouraged to address the situation directly with the employee(s) involved. This policy also encourages employees who have job-related problems or complaints to talk them over with their supervisor or a manager at any level of management who they feel can help them. First 5 Alameda County believes that employee concerns are best addressed through informal and open communication.

To the extent possible, F5AC will maintain confidentiality in addressing and resolving concerns brought to its attention. However, in the course of investigating and resolving concerns, some dissemination of information to others with a need to know may be necessary.

No employee will be retaliated against for raising a concern in good faith.

DISCIPLINARY PROCEDURES

While F5AC may advance to whatever disciplinary step it concludes is appropriate in the circumstances, including immediate termination, any, all, or none of the following disciplinary steps may be invoked:

- Employee Counseling or Oral Warning – The supervisor counsels the employee, generally following a relatively minor offense in an effort to eliminate possible misunderstandings and to identify what constitutes acceptable conduct or performance. Oral warnings are documented by the supervisor and placed in the employee's personnel file. They are signed by the employee to acknowledge receipt of the warning.
- Written Warning – The employee meets with his or her supervisor and is presented with a written notice of corrective action. A written warning is designed to make sure that the employee is aware of the misconduct or performance problem, including the degree of seriousness and the consequences if the problem is not corrected. Written warnings are to be signed by the employee to acknowledge receipt of the warning and will be placed in the employee's personnel file.

- Suspension — ~~Employees who are suspected of serious misconduct may be suspended with pay in situations where an investigation is required prior to a disciplinary decision being made.~~ Employees may also be suspended without pay for a period of time for other relatively serious offenses ~~disciplinary reasons,~~ at the sole discretion of F5AC.
- Discharge — Termination can result from a single serious offense, or it can be the final step in a process designed to correct ~~a series of~~ offenses or performance deficiencies. It can also occur as the result of conduct inconsistent with F5AC policy.

Other disciplinary steps not described above may or may not be taken, depending on the circumstances. Supervisors are required to consult with the Human Resources Administrator prior to the issuance of any discipline, including warning or discharge, and at each before taking any step of the progressive discipline process.

The use of any of the above disciplinary procedures in no way alters the fact that employment at First 5 Alameda County is at-will.

CONFLICT OF INTEREST

It is important that employees avoid conflicts of interest to maintain high standards of conduct. A conflict of interest is a situation in which an employee's personal or economic interest does or may interfere with, influence, ~~appears to interfere or influence,~~ or is, in the judgment of F5AC, incompatible with the employee's duties and responsibilities at First 5 Alameda County or with F5AC's general activities. A conflict may exist even if the conflict or incompatibility has no adverse impact on job performance.

All regular employees are required to sign an Incompatible Activities Statement at the time of hire and periodically during employment as part of F5AC's Ethics Training program. In accordance with California's Political Reform Act, designated employees are also required to complete a Statement of Economic Interests (Form 700) within 30 days of hire, on an annual basis, and within 30 days of terminating employment with First 5 Alameda County. Employees must advise their supervisor and the Ethics Officer/Contracts and Grants Administrator of any outside employment that they have. Any employee needing advice about a potential conflict of interest should consult with the Ethics Officer, Human Resources Administrator or the Chief Executive Officer. If an employee's outside activity is determined to constitute a conflict of interest or incompatible activity, ~~and the employee intends the activity to continue (i.e., beyond a defined, temporary duration),~~ F5AC may make the cessation of the outside activity a condition of continuing employment with First 5 Alameda County.

CONFIDENTIALITY

Careful custody and handling of F5AC files, documents or materials (in hard copy or electronic format) containing confidential information is of critical importance to the well-being and success of First 5 Alameda County and our clients. Each employee is responsible for safeguarding against the theft, loss, unauthorized use or disclosure of this information and for following F5AC's best practice policies and procedures addressing confidentiality including, but not limited to, HIPAA compliance. Further, employees must not, directly or indirectly, disclose any confidential information to any other person except as necessary to perform their job

responsibilities. Employees who have access to such information must take whatever steps are necessary to assure that F5AC confidential information is handled, stored, transmitted or destroyed in a manner which will protect against loss or misuse, as outlined in First 5's Confidentiality Procedures Manual.

Confidential matters include, but are not limited to:

- Employee or client names, addresses, telephone numbers, social security numbers, and medical/health information
- Information contained in employee personnel or benefits files, including but not limited to items such as records of disciplinary actions, performance evaluations, benefits application forms, beneficiary information, etc.
- Anything marked "Confidential" or "Personal", such as incoming mail, internal documents marked with these terms, etc.

Such private and confidential information should be given only those persons in First 5 Alameda County who have both the need and authority to know about the information in order to properly perform their jobs.

Further, data contained in First 5 web-based applications (ECChange, ECC Online and Pathways Referral System) are also subject to HIPAA compliance and Agency Confidentiality best practices policies as outlined in First 5's Confidentiality Procedures Manual and applications trainings.

~~This policy remains in effect for the duration of an employee's employment with F5AC, and~~
Employees are expected to maintain F5AC confidential information as confidential even after separation from F5AC. Employees will, at F5AC's request at any time and/or upon termination of employment, return to F5AC all documents, papers, computer files or storage devices, web application passwords, or any other material in their possession that may contain or be derived from F5AC confidential information.

Requests for documents or information from outside persons or entities including those that may be governed by the Public Records Act must be referred immediately to the Chief Executive Officer or the Ethics Officer/Contracts and Grants Administrator.

PART TWELVE: ENDING EMPLOYMENT

~~AT-WILL STATUS~~

~~Employment with First 5 Alameda County is not for any specified period and can be terminated by either the employee or F5AC at any time with or without any particular reason or cause and without advance notice. Nothing contained in these policies is intended to, or should be construed to, alter the at-will relationship between First 5 Alameda County and its employees. Although other terms and conditions and benefits of employment with First 5 Alameda County may change, or be eliminated or added to, from time to time, the at-will relationship of employment is one aspect that cannot be changed except by an agreement in writing with the First 5 Alameda County Commission, signed by the chair of the board on behalf of the entire board, and by the employee.~~

VOLUNTARY TERMINATION OF EMPLOYMENT

All employees are asked to give a minimum of two (2) weeks' written notice of resignation. If F5AC asks an employee who has voluntarily resigned to leave our employ before the end of the notice period (for example, if a replacement is to begin immediately), the employee will be paid for the entire notice period, up to a maximum of two weeks.

PAYROLL AND THE RETURN OF FIRST 5 PROPERTY

All employees separating from First 5 Alameda County will receive their final paycheck at the next regularly scheduled payroll date. Employees are required to turn over all keys, building access fobs, HFSa benefit cards, and other F5AC property or equipment to the Human Resources Administrator or Office Manager before leaving on their last day of work.

REDUCTION IN WORKFORCE

In the event First 5 Alameda County determines that it is necessary to implement a reduction in its workforce, the methods below may be used to accomplish this. First 5 Alameda County reserves the right to determine when and whether it is necessary to implement a reduction in force (RIF), which employees would be affected by the reduction in force, and the method for implementing the reduction in force. Generally, First 5 Alameda County shall give primary consideration to the needs and circumstances of the program and F5AC. The following terms and conditions are guidelines which First 5 anticipates it will apply in the event of a reduction in force. Since First 5 Alameda County cannot foresee the future circumstances and funding of the program and F5AC, it reserves the **discretionary** right to change the below terms and conditions at any time, at its sole discretion.

- To reduce the potential need for a RIF, employees may be hired for temporary positions, with the duration of the position dependent on the availability of funding. Employees hired for temporary positions are not eligible for severance pay under this policy, but may be eligible to receive outplacement services.
- First 5 Alameda County may reduce positions through attrition rather than lay-off, as long as a workforce can be maintained that supports the program needs at the time.
- First 5 Alameda County may require all or a portion of employees to go on furlough (ie, work fewer hours per week or take a specified period of time off work without pay). During the period of furlough, First 5 Alameda County will attempt to maintain affected employees' health and dental insurance benefits at the same level as they were prior to the furlough for a period not to exceed eighteen (18) months.
- First 5 Alameda County may reduce a position(s) from full-time to part-time dependent on program needs and availability of funding. If First 5 Alameda County reduces a position to part-time, First 5 Alameda County will attempt to maintain the affected employee's health and dental benefits at the same level as they were immediately prior to the reduction for a period not to exceed eighteen (18) months, and subject to any future changes in the F5AC's benefit package. Employees who voluntarily request a part-time schedule are not eligible for this benefit.

- First 5 Alameda County may eliminate positions, resulting in a separation of certain employees. First 5 Alameda County shall determine if the reduction in force will occur on an agency-wide basis or in one or more programs, departments, and/or classifications. If this option is utilized, continued employment with First 5 Alameda County for employees affected by the RIF will be based on the following factors:
 - ♦ Availability of open vacant positions within First 5 Alameda County
 - ♦ Transferability of skills to other positions within First 5 Alameda County
 - ♦ Demonstrated strong current and past performance

Evaluation of these factors shall be within the sole discretion of First 5 Alameda County. If these factors are equal between two or more employees of the same classification in the same program, then length of service will be the deciding factor for continued employment.

Length of Service

An employee's length of service is measured from the original date of employment with First 5 Alameda County (including time as a County employee, Tri-Net employee, Diversified employee, or First 5 Alameda County employee) as long as there has not been a break in service greater than 30 days (but not including leave protected by law).

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Notice

Employees selected for reduction in workforce through elimination of position will be given at least 10 business days' notice.

Severance Pay

In the event that positions are eliminated due to the need to reduce the First 5 Alameda County workforce, First 5 Alameda County may authorize severance pay for laid off employees in the amount of two weeks of regular base salary or pay (i.e., the employee's regular base salary or regular straight-time hourly wages for the time period), but not irregular pay (such as accrued vacation leave paid out during the time period), less applicable tax and other withholdings, for every year of continuous full-time service (according to the above length of service definition), not to exceed eighteen (18) weeks of pay. If severance pay is authorized, it will be paid in one lump sum, and, according to ACERA, is not pensionable.

In order to receive severance pay, employees will first be required to sign a waiver releasing First 5 Alameda County from any and all liability arising out of their employment and separation from employment. Refusal to sign the waiver timely and/or lawful revocation of the waiver will render an employee ineligible to receive severance pay.

In addition to severance pay as described above, First 5 Alameda County may also make a payment equivalent to \$500 per year of service (as defined above) up to but not to exceed \$3000.00 to assist the employee in maintaining his/her health insurance. This payment, if authorized by F5AC, shall be made in one lump sum, and will be issued at the same time and under the same conditions as severance pay. That is, to receive the payment described in this paragraph, employees will first be required to sign a waiver releasing First 5 Alameda County from any and all liability arising out of their employment and separation from employment.

Refusal to sign the waiver timely and/or lawful revocation of the waiver will render an employee ineligible to receive the supplemental health insurance payment.

In the event that an employee who was previously laid off and received severance pay is rehired and then subsequently laid off, that employee is eligible for severance only up to the maximum eighteen (18) weeks of pay when all severance payments are combined.

Outplacement Services

Employees whose positions are being eliminated in a RIF, or who were hired for temporary positions may be eligible for First 5 Alameda County outplacement services. These services are designed with the goal of placing First 5 Alameda County staff affected by a RIF in positions within Alameda County where they can continue to use their skills and expertise on behalf of children age 0-5. Outplacement services to assist employees with their employment search may be available to eligible **individuals reduced in force** employees from First 5 Alameda County for a period not to exceed three months following the date of separation. First 5 Alameda County makes no guarantee that utilizing its outplacement services will result in an offer of employment.

First 5 Alameda County reserves the discretionary right to interpret, administer, and terminate or alter this policy at any time upon approval by the First 5 Alameda County Commission.

EXIT INTERVIEWS

The Chief Executive Officer or the Human Resources Administrator will conduct an exit interview with each employee who voluntarily terminates employment with First 5 Alameda County prior to the last day of work. These conversations enable the Agency to gather important information about personnel policies and procedures, and the work environment, that may be of benefit to many other employees. Although exit interviews are not mandatory, employees are encouraged to participate in them and to speak frankly about their employment experience with First 5 Alameda County.



ACKNOWLEDGEMENT OF RECEIPT

RECEIPT OF MANUAL

I hereby acknowledge that I have received a copy of the First 5 Alameda County (“F5AC”) Employee Policies and Procedures Handbook and understand that the Handbook contains important information on the general personnel policies of First 5 Alameda County and on my privileges and obligations as an employee. I acknowledge that I am expected to read, understand, and adhere to First 5 Alameda County’s policies, and I understand I am governed by the contents of this Handbook. I further understand that F5AC may change, rescind, or add to any policies, benefits, or practices described in the Handbook, other than the ~~policy concept~~ of at-will employment. By my signature below, I also acknowledge and understand that employment at First 5 Alameda County is at-will employment. That is, either I or F5AC may terminate my employment at any time, for any reason or no reason, with or without cause, and without advance notice.

Employee’s Name (Printed)

Employee’s Signature

Date

CHANGE LOG

Item	Date
Original adoption of Personnel policies adopted by Commission	5/21/2004
Addition of fingerprinting under "Work Eligibility" – approved by Commission	5/26/2005
Medical and Dental Insurance sections rewritten to reflect current benefit structure – approved by Commission	5/26/2005
Addition of "Tools and Technology" section – approved by Commission	5/26/2005
"Floating Personal Days" and "Personal Use Time" merged under "Paid Time Off (PTO)" – approved by Commission	5/26/2005
"Unpaid Time Off and Leaves of Absence" section reformatted to include matrix of leaves – approved by Commission	5/26/2005
Addition of "Bilingual Pay" section – approved by Commission	5/26/2005
Addition of Catastrophic Leave Bank – approved by Commission	9/29/2005
Year End Manual Clean-up – reviewed by Executive Committee	6/19/2006
Year End Manual Clean-up – reviewed by Executive Committee	5/22/2008
Change in Full Time Status definition	5/22/2008
Addition of Professional Development section	5/22/2008
Addition of Payment in Lieu section	5/22/2008
Addition of Long Term Disability section	5/22/2008
Addition of Children in the Workplace section	5/22/2008
Addition of Telecommuting section	5/22/2008
Addition of References section	5/22/2008
Deleted Position Description section	5/22/2008
Formatting	2/25/2009
Year End Manual Clean-up – reviewed by Executive Committee	6/25/2009
Addition of Paid Family Leave section	6/25/2009
Addition of Breastfeeding-Friendly Workplace section	6/25/2009
Addition of Reduction in Workforce section – approved by Commission 12/11/08, with addition of severance pay cap 3/26/09	6/25/2009
Year End Manual Clean-up – reviewed by Executive Committee	6/24/2010
Addition of modifications to sick leave policy - approved by Commission on 12/10/09	6/24/2010
Deleted Tools and Technology benefit – approved by Commission on 12/10/09	6/24/2010
Addition of Personal Leave of Absence	6/24/2010
Year End Manual Clean-up – Reviewed by Executive Committee	12/8/2011
Addition of Child Abuse Reporting and Confidentiality policies	12/8/2011
Deletion of Lent to Other Government or Educational Institution Leave	12/8/2011
Addition of Temporary Military Duty Leave	12/8/2011
Deleted ACERA offset benefit – approved by Commission on 12/13/12	12/13/2012
Year End Manual Clean-up – Reviewed by Executive Committee	5/23/2013
Revisions to Unpaid Leave section, including deletion of the Matrix	5/23/2013

format, addition of Reasonable Accommodation Leave, and deletion of Educational, Temporary Military Duty and Military Leaves	
Separation of Pay Periods into Pay Periods and Work Schedules	5/23/2013
Addition of Social Media	5/23/2013
Addition of Media Relations	5/23/2013
Year End Handbook Clean-up – Reviewed by Executive Committee	6/26/2014
Consolidation of Medical and Dental Insurance sections, deletion of Wage Garnishments and Appeal of Serious Discipline sections	6/26/2014
<u>Year End Handbook Clean-up – Reviewed by Executive Committee, including modifications to Sick Time to reflect provisions in the Healthy Workplace Healthy Family Act, and to Health and Dental Insurance to reflect provisions in the Affordable Care Act</u>	<u>6/18/2015</u>



To: First 5 Alameda County Commission

From: Janis Burger, CEO
Mark R Rasiah, Financial Controller

Date: June 18, 2015

Subject: FY 2015-16 Budget Proposal – Second and Final Reading

ACTION REQUESTED

To review and adopt the following 2015-16 Budget Proposal.

BACKGROUND

Each First 5 agency is required by statute to pass a Strategic Plan that outlines the use of the tobacco tax funds to serve children age 0-5 and their families. The First 5 Alameda County Commission has approved a four-year Strategic Plan for FY 2013-17. The Strategic Plan was prepared after extensive program and needs assessment and community and stakeholder input. This budget proposal covers the third year of that period, 2015-16, and includes the strategies and programs outlined in the Strategic Plan. This proposed budget also represents the first year of the 2015-2017 two-year budget cycle. The second year of this cycle will also be presented in June, and will be for informational purposes only.

The first reading of the budget proposal took place on April 23rd, 2015 before the full Commission. This presentation is the second and final reading of the same. Apart from minor movements between expenditure categories, there are no changes to the Proposed Budget that was presented to the Commission at the first reading.

As is the practice of First 5 Alameda County, changes that occur during the course of the fiscal year will be formally incorporated into the budget during the mid-year Budget Modification in January 2016.

CURRENT BUDGET PROPOSAL

This document provides a fiscal summary of revenue projections and budgeted expenditures as follows:

- First 5 staff salaries and benefits
- Grants, contracts, and stipends
- Professional Service costs

- Operating Costs
- Infrastructure costs

The following Revenue and Expense by strategy projections reflect the priorities of the 2013-2017 Strategic Plan that was approved by the Commission in December 2012. All Program areas are presented before the distribution of allocable administrative costs. Infrastructure costs (which include major items such as building maintenance costs, database hosting and computer network support) are presented in full, rather than as allocations. This was done in order to provide a comprehensive picture of the total indirect cost of supporting all programs.

REVENUE AND AVAILABLE FUNDS 2015-16

Prop 10 Tobacco Tax allocation and other Revenue for FY 2015-2016 is projected to be \$18.6 million and is consistent with the Long Range Financial Plan. Funds from the Sustainability Fund amounting to \$2.7 million are budgeted to close the gap between decreasing Tobacco Tax revenue and projected expenses. Prop 10 Tobacco taxes are expected to decline by 2.5% or nearly \$0.3 million dollars next year.

LINE ITEM	2015-16 PROPOSED	RATIONALE/DETAILS
Prop 10 Tobacco Tax	\$12,710,214	The Tobacco tax revenue projection is based on an assessment of current year trend through February 2015 and First 5 California projections for county commissions.
Interagency Income	\$2,039,317	<p>Interagency income includes:</p> <ul style="list-style-type: none"> ▪ The SAMHSA Early Connections federal grant (ending 9/30/15) from Alameda County Behavioral Health Care Services (BHCS) was committed in the amount of \$150,000; ▪ AC Public Health Department funding for ECChange database maintenance and hosting (\$43,452) and Help Me Grow (HMG) Linkage Line (\$343,065) phone referral service; ▪ AC Social Services Agency funding for Parent Voices (\$178,200), AC Interagency Children’s Policy Council funding to support the county-wide school readiness assessment (\$50,000), AC Office of Education via CA state Block Grant funding for QRIS (\$900,000), AC Public Health Department and Social Services funding to support Fathers Corps work; ▪ Reimbursement from First 5 Contra Costa for a full-time staff person for hospital outreach to Contra Costa families at Alta Bates (\$144,691) and funding from First 5 CA to support statewide HMG work.

LINE ITEM	2015-16 PROPOSED	RATIONALE/DETAILS
Grants	\$2,538,689	<p>Grant income includes:</p> <ul style="list-style-type: none"> ▪ A federal award through the California Department of Education for the development of a Quality Rating and Improvement System funded by the Race to the Top Early Learning Challenge grant (\$760,189) including supplemental funding (ends 6/30/16); ▪ An award for Comprehensive Approaches to Raising Educational Standards (CARES) Phase II grant (\$275,531) from First 5 California, ending 6/30/16; ▪ Funding from the Long Foundation (\$1,042,969) to expand and support the Help Me Grow program; ▪ A grant from the Koshland Family Foundation (\$100,000) to train ECE providers on the Center on the Social and Emotional Foundations for Early Learning (CSEFEL) model; ▪ A grant from the Packard Foundation to support the Oakland Starting Smart and Strong Initiative; ▪ Other funding sources such as from the Oakland Education Fund to support Help Me Grow and QRIS activities and funding from the Bay Area Council Foundation to support the Talk, Read, Sing work.
Fiscal Leveraging	\$900,000	<p>Medi-Cal Administrative Activities (MAA) - estimates based on MAA invoices submitted in 2013-14. The amount shown is higher than in previous years as a result of the new time tracking methodology that came into use - The perpetual time study has resulted in higher reimbursements for the past few years.</p>
Investment Revenue	\$ 350,000	<p>This conservative projection of interest income assumes that the sustained low interest rate climate of recent years, will persist for the next fiscal year. Net investment yields are estimated to be under 2%.</p>
Miscellaneous Income	\$20,000	<p>Rental income from our First 5 Association tenants in the office building is the primary source of this line item.</p>
Sustainability Fund	\$2,741,780	<p>An amount that permits the budget to be balanced and that is consistent with the Long Range Financial Plan approved in June 2014. Last year it was anticipated that \$3.6 million in Sustainability Funds would be needed to maintain programs in FY 2015-2016. That has however not been the case.</p>

LINE ITEM	2015-16 PROPOSED	RATIONALE/DETAILS
Grand Total	\$21,300,000	

EXPENDITURES 2015-16

Under the 2013-2017 Strategic Plan program groups were categorized under nine major strategies. The following Expense proposal provides the cost of each of the nine strategies as envisaged in the Strategic Plan. Also provided are the cost of Contracts and Grants, and Administration and Agency wide Consolidated Operating Expenses. The Strategy expenditures presented below consist of Salaries and Benefits, Program related Contracts, Grants and Professional Services Costs and Direct Program Costs. They exclude shared or indirect Infrastructure costs, which are shown separately. The budget will be approved at the Strategy level as shown below. The budget narrative provides some detail on each Strategy and is to be read in conjunction with the Strategic Plan.

Strategies are supported by facilities, infrastructure and data systems. These costs are shown separately as Infrastructure Costs. The goals of this format are two-fold. Firstly, to disclose the full cost of each infrastructure component or fixed overhead cost in total rather than as an allocated cost. Secondly, in a declining funding environment keeping track of operating and overhead costs in one place can lead to better tracking, financial control and reporting.

Consistent with legislative requirements brought about by AB 109, expense costs continue to be separated into three cost categories: Program, Evaluation and Administration. The expenses in each category are consistent with First 5 California guidelines, and those set forth in the Government Finance Officers Association's First 5 Financial Management Guide.

Salaries and Benefits

For FY 2015-2016, total salaries and benefits are projected to be \$7.6 million. Salaries are budgeted based on actual amounts. Benefits are budgeted at 50% of salaries. Consistent with direction from the Commission, the approved benefit package has remained mostly consistent with the Alameda County benefit package, including membership in the Alameda County Employee's Retirement Association (ACERA), health and dental benefits, life insurance and a flexible benefit of \$1,500 to offset health, life insurance or flexible spending account costs. The 50% allocation is based on actual cost estimates that are revised periodically as needed.

Continuum of Care and Linkages for Children and Families (COCL)

The total COCL budget proposal for 2015-16 is \$7,543,693 and consists of:

STRATEGY	2015-16 PROPOSAL	FUNDING SOURCES	COMMENTS
Home Visiting	\$3,536,456	Tobacco Tax, Medi-Cal Administrative Activities (MAA), Other Sources	Family Support provided in-home and in-community, with culturally relevant, relationship-based approach during pregnancy and throughout the child’s first years. Contractors use First 5 funding to leverage Targeted Case Management (TCM), Federal Financial Participation (FFP) and other sources.
Healthy Child Development	\$2,910,788	Tobacco Tax, Medi-Cal Administrative Activities (MAA), Child Health and Disability Prevention Program (CHDP)	Coordinated screening, and referral system to identify developmental, social, emotional and behavioral concerns as early as possible, and make linkages to specific interventions once concerns are identified.
Early Connections	\$139,297	Behavioral Health Care Services (SAMHSA Federal Grant)	Supports the enhanced connection among early childhood mental health programs and services for young children experiencing developmental, social and emotional concerns. Funding ends 9/30/15.

School Readiness	\$469,198	Tobacco Tax, Long Foundation.	School and Community-Based activities and resources to support the development of responsive systems to promote a smooth transition from either early childhood settings or home to kindergarten for both children and parents.
Place Based	\$487,954	Tobacco Tax	Provides a neighborhood and equity-based approach to ensure there are quality early childhood services for children and families including intentional efforts to build, sustain and operationalize community capacity.
Total Continuum of Care and Linkages	\$7,543,693		

Community and Provider Capacity Building (PCB) & Program Operations

The Provider Capacity Building (PCB) & Program Operations budget proposal for 2015-16 is \$7,824,423 and consists of:

STRATEGY	2015-16 PROPOSAL	FUNDING SOURCES	COMMENTS
Grants for Community Support	\$2,092,640	Tobacco tax	Programs funded in various strategy areas, dependent on funding priorities selected by the Commission
Quality ECE	\$5,123,946	Tobacco Tax, CARES Plus Phase II, Koshland Family Foundation, Packard Foundation, California Department of Education RTT-ELC, California Department of Education QRIS Block Grant	Integrated Child Care Quality Support System that includes quality rating, quality improvement support, and incentives.
Training & Capacity Building	\$486,866	Tobacco Tax	Training on best, promising practices and peer learning communities for the multi-disciplinary workforce serving families with young children.
Fathers Corps.	\$120,971	Tobacco Tax, Health Care Services Agency, Social Services Agency	Activities supporting public systems and community based organizations to become more father friendly in order to increase father engagement in the lives of young children.
Total Provider Capacity Building	\$7,824,423		

Early Childhood Policy Advocacy and Communication (PAC)

The Policy Advocacy and Communications budget proposal for 2015-16 is \$1,252,083 and consists of:

PROGRAM	2015-16 PROPOSAL	FUNDING SOURCES	COMMENTS
Policy agenda, Systems Change & Sustainability and linking with health reform and other initiatives.	\$1,252,083	Tobacco Tax	Consists of staffing from each of the strategy areas and includes \$150k for general policy initiatives and communications; \$75k for staff position for Talk, Read, Sing; \$110k from the Packard Foundation to support the Oakland Starting Smart and Strong Initiative; \$165k from ACSSA for Parent Voices and \$100k from First 5 California to support HMG.
Total Policy Advocacy	\$1,252,083		

Evaluation and Technology

The Evaluation and Technology (E&T) budget proposal for 2015-16 is \$1,526,500 and consists of:

PROGRAM	2015-16 PROPOSAL	FUNDING SOURCES	COMMENTS
Evaluation, Database, Technical Assistance.	\$1,526,500	Tobacco Tax, Behavioral Health Care Services (SAMHSA Federal Grant), Long Foundation Private Grant. Medi-Cal Administrative Activities (MAA). Race To The Top (RTT) Early Learning Challenge grant	Includes: internal and external evaluation activities for First 5 funded programs; Database enhancements for ECC Online, ECChange and Pathways data systems, technical assistance to partners.
Total Evaluation and Technology	\$1,526,500		

Awards Administration & Consolidated Operating Expenses

The Awards Administration & Consolidated Operating Expenses Budget proposal for 2015-16 is \$508,562 and consists of:

FUNCTION	2015-16 PROPOSAL	FUNDING SOURCES	COMMENTS
Contracts & Grants Administration. Consolidated Operating Costs	\$508,562	Tobacco Tax, Medi-Cal Administrative Activities (MAA)	Program Operating Expenses such as Copying, Travel, Supplies and Hospitality have been consolidated within this program.
Total Awards and Operating Expenses	\$508,562		

Administration

The Administration budget proposal for 2015-16 is \$1,148,480.

FUNCTION	2015-16 PROPOSAL	FUNDING SOURCES	COMMENTS
Administration, Commission, Finance, Human Resources and Facilities Management	\$1,148,480	Tobacco Tax, Medical Administrative Activities (MAA)	Includes centralized agency wide staff development costs under HR.
Total Administration	\$1,148,480		

Infrastructure

The Infrastructure budget proposal for 2015-16 is \$1,496,261. This budget group consists of all fixed and overhead costs incurred by First 5 Alameda County, in providing services.

FUNCTION	2015-16 PROPOSAL	FUNDING SOURCES	COMMENTS
Program Overheads	\$1,496,261	Tobacco Tax, Medical Administrative Activities (MAA), Grants.	Agency wide Printing, Audit, Legal, Database Management, Network Support, Building maintenance, Equipment leases, Communications, Insurance, postage, Professional Services etc.
Total Infrastructure	\$1,496,261		
Grand Total	\$21,300,000		

Administrative Cap

As part of the agency Finance Policy and consistent with AB 109 and SB 35, First 5 Alameda County has set an administrative cost cap of 10%. Costs are segregated through the year into the Program, Evaluation and Administrative divisions according to guidelines and definitions set

forth by First 5 California and in the Government Finance Officers Association (GFOA) First 5 Financial Management Guide.

The proposed budgets’ administrative costs do not exceed the cap. They are:

2015-16 ADMINISTRATIVE CAP	
Program	85.8%
Evaluation	7.2%
Administration & Awards	7.0%
TOTAL	100.0%

Fiscal Impact

The fiscal impact is \$21,300,000 in budgeted expenses, a major portion of which will be funded by a combination of Prop 10 and other revenue sources amounting to \$18,558,220. The balance is expected to be funded by the use of Sustainability funds in the amount of \$2,741,780 in FY 2015-16.

This amount is within the range set forth in the Long Range Financial Plan figures approved in June 2014. That plan projected up to \$3.6 million in Sustainability Funds to be used to maintain programs in 2015-16.

RECOMMENDATION

That the Commission review and adopt the FY 2015-16 Budget Proposal.

Submitted by:

Reviewed by:

Mark R Rasiah
Financial Controller

Janis Burger
Chief Executive Officer

**Proposed Revenue
Budget
For the Period July 1, 2015 - June 30, 2016**

Revenues	Actual* Revenue FY 2012-13	Actual* Revenue FY 2013-14	Revised Estimates FY 2014-15	Proposed Budget FY 2015-16	Variance %	Note
Prop 10 Tobacco Tax	13,646,783	13,171,926	13,036,117	12,710,214	-2.5%	1
Interagency Income						
- ACBHCS Early Connections(SAMHSA)	624,211	610,447	315,842	150,000	-52.5%	2
- ACPHD Project LAUNCH (SAMHSA)	853,233	553,991	343,777	0	-100.0%	3
- ACPHD Data Systems Hosting & Mtce	125,158	89,228	43,000	43,452	1.1%	
- ACSSA Parent Voices			165,000	178,200	8.0%	
- AC Interagency Children's Policy Council				50,000	-	4
- AC Office of Educ. (QRIS)				900,000	-	5
- ACHCSA - Fathers Corps.				80,000	-	6
- ACPHD HMG Linkage Line	142,524	127,754	343,065	343,065	0.0%	
- CSU Eastbay Foundation (HPN)		130,965	81,840	0	-100.0%	7
- First 5 California (HMG)				149,909	-	8
- First 5 Contra Costa	139,072	139,513	139,072	144,691	4.0%	
Total Interagency Income	1,884,198	1,651,898	1,431,596	2,039,317	42.5%	
Grants						
Federal- SART Earmark #2	433,000	164,000				
- Race To The Top	588,000	954,189	1,418,378	760,189	-46.4%	9
State - CARES PLUS	226,270	256,273	279,117	275,531	-1.3%	
Private - Long Foundation	396,000	445,500	470,250	1,042,969	121.8%	10
- Koshland Foundation		100,000	100,000	100,000	0.0%	
- East Bay Community Foundation		413,365			-	
- Stulsaft Foundation			11,000		-100.0%	11
- Packard Foundation		50,000	56,500	110,000	94.7%	12
Other - Oakland Education Fund(HMG)				40,000	-	13
- Oakland Education Fund(QRIS)				110,000	-	14
- Bay Area Council Foundation				100,000	-	15
Total Grants	1,643,270	2,383,327	2,335,245	2,538,689	8.7%	
Fiscal Leveraging						
MAA	705,623	732,131	900,000	900,000	0.0%	16
Total Fiscal Leveraging	705,623	732,131	900,000	900,000	0.0%	
Investment Revenue	103,719	387,816	400,000	350,000	-12.5%	17
Misc.Income	87,948	37,871	20,000	20,000	0.0%	18
TOTAL REVENUE	18,071,541	18,364,969	18,122,958	18,558,220	2.4%	
Reserves						
Sustainability Funds	5,273,781	0	2,352,042	2,741,780	16.6%	19
TOTAL REVENUES & AVAILABLE FUNDS	23,345,322	18,364,969	20,475,000	21,300,000	4.0%	

Notes:

- Prop 10 Tobacco tax revenues are expected to decline at 2.5% based on projections by the California Dept of Finance, released in June 2014.
- SAMHSA Early Connections - Funding ends September 2015. Amount shown represents projected expenses for July - September.
- Project LAUNCH funding ended in September 2014 after a 5 year term. Information is for comparison purposes only.
- Inter-Agency Children's Policy Council - funds for county-wide school readiness assessment.
- AC Office of Education(QRIS) - block grant funding for the Quality Rating Improvement System work currently underway.
- Funding from AC Social Services and ACPHD for a Fathers Corps staff position to oversee the program.
- CSU East Bay Foundation (HPN) -contract ended 2014. Information is for comparison purposes only.
- First 5 California (HMG) - Pass through funding for First 5 Association for statewide Help Me Grow work.
- Race to The Top - This amount represents residual funding for the final year of the four year Early Learning Challenge grant.
- Long Foundation- First of 4 year funding stream for Help Me Grow expansion efforts in conjunction with First 5 Contra Costa.
- Stulsaft Foundation funds for the development of an online ECE class at University NOW. Ends FY 2014/15. For comparison purposes only.
- Funding from the Packard Foundation for the coordination of the Oakland Starting Smart and Strong initiative.
- Oakland Education Fund to support Help Me Grow.
- Oakland Education Fund to support QRIS.
- Bay Area Council Foundation - partially funds the Talk, Read Sing staff position for FY 2015/16
- Reimbursements from Medical Administrative Activities(MAA) are expected to be higher due to the perpetual time study methodology currently
- Investment Revenue - Based on income in prior years. Conservatively estimated to remain at current levels for the budget year.
- Miscellaneous Revenue - from renting office space to First 5 Association.
- Sustainability funds will be used to maintain a balanced budget, in the event that expenses exceed revenues during the budget year.

**Proposed Operating Expenditure Budget By Strategy
For the Period July 1, 2015 - June 30, 2016**

	COCL	PCB	PAC	E & T	AWARDS	ADMIN	INFRA	TOTAL
	Proposed FY 2015-16	Proposed FY 2015-16	Proposed FY 2015-16	Proposed FY 2015-16	Proposed FY 2015-16	Proposed FY 2015-16	Proposed FY 2015-16	Proposed FY 2015-16
<u>Personnel Costs</u>								
Salaries & Benefits	2,597,302	2,102,759	672,083	898,074	343,562	1,041,479		7,655,259
<u>Program Contracts/Grants</u>								
Contracts	4,517,150	3,200,413	575,000	590,926			807,141	9,690,630
Grants & Stipends		2,042,000						2,042,000
Professional Services Contracts	211,500	402,000				5,000		618,500
Total Contracts/Grants	4,728,650	5,644,413	575,000	590,926	0	5,000	807,141	12,351,130
<u>Program Operating Costs</u>	217,741	77,250	5,000	37,500	165,000	102,000		604,491
TOTAL DIRECT PROGRAM COSTS	7,543,693	7,824,422	1,252,083	1,526,500	508,562	1,148,479	807,141	20,610,880

COCL - Continuum of Care & Linkages
 PCB - Provider Capacity Building
 PAC - Policy Advocacy & Communications
 E&T - Evaluation & Technology
 AWARDS - External Awards Administration
 ADMIN - Finance, HR & Administration
 INFRA - Infrastructure Costs

INDIRECT COSTS

Communications/Hosting	102,000
Copying/Printing/Postage	33,000
Equipment Leases/Supplies	6,000
Equipment/Furniture	40,000
Insurance	99,000
Membership and Dues	24,000
Professional Services	143,000
Building Maintenance	120,000
Depreciation	122,120
Total Indirect Costs	689,120

Total Expenditure Budget

21,300,000

**First 5 Alameda County
Preliminary Revenue
Budget (Information Only)
For the Period July 1, 2016 - June 30, 2017**

Revenues	Revised Budget FY 2014-15	Proposed Budget FY 2015-16	Preliminary Budget FY 2016-17
Prop 10 Tobacco Tax	13,036,117	12,710,214	12,392,459
Interagency Income			
- ACBHCS Early Connections(SAMHSA)	315,842	150,000	0
- ACPHD Project LAUNCH (SAMHSA)	343,777	0	0
- ACPHD Data Systems Hosting & Mtce	43,000	43,452	43,452
- ACSSA Parent Voices	165,000	178,200	0
- AC Interagency Children's Policy Council	0	50,000	0
- AC Office of Educ. (QRIS)	0	900,000	0
- ACHCSA - Fathers Corps.	0	80,000	80,000
- ACPHD HMG Linkage Line	343,065	343,065	343,065
- CSU Eastbay Foundation (HPN)	81,840	0	0
- First 5 California (HMG)	0	149,909	0
- First 5 Contra Costa	139,072	144,691	144,691
Total Interagency Income	1,431,596	2,039,317	611,208
Grants			
Federal - Race To The Top	1,418,378	760,189	0
State - CARES PLUS	279,117	275,531	0
Private - Long Foundation	470,250	1,042,969	1,335,000
- Koshland Foundation	100,000	100,000	0
- Stulsaft Foundation	11,000	0	0
- Packard Foundation	56,500	110,000	0
Other - Oakland Education Fund(HMG)	0	40,000	0
- Oakland Education Fund(QRIS)	0	110,000	0
- Bay Area Council Foundation	0	100,000	0
Total Grants	2,335,245	2,538,689	1,335,000
Fiscal Leveraging			
MAA	900,000	900,000	900,000
Total Fiscal Leveraging	900,000	900,000	900,000
Investment Revenue	400,000	350,000	350,000
Misc.Income	20,000	20,000	20,000
TOTAL REVENUE	18,122,958	18,558,220	15,608,667
Reserves			
Sustainability Funds	2,352,042	2,741,780	3,391,333
TOTAL REVENUES & AVAILABLE FUNDS	20,475,000	21,300,000	19,000,000

**First 5 Alameda County
Preliminary Expenditure Budget by Expenditure Category
(For information only)
For the Period July 1, 2016 - June 30, 2017**

Expenditures	Modified Budget FY 2014-15	Proposed Budget FY 2015-16	Preliminary Budget FY 2016-17	Variance from Prior Year (\$)	Variance from Prior Year (%)	Notes
Personnel Costs	6,615,433	7,655,259	7,202,341	(452,918)	-6%	1
Contracts	10,439,617	9,690,630	8,368,548	(1,322,082)	-14%	2
Grants & Stipends	1,990,700	2,042,000	1,680,000	(362,000)	-18%	3
Professional Services Contracts	224,150	618,500	531,000	(87,500)	-14%	4
Program Operating Costs	516,480	604,491	523,991	(80,500)	-13%	5
Infrastructure Costs	688,620	689,120	694,120	5,000	1%	
TOTAL EXPENDITURES	20,475,000	21,300,000	19,000,000	(2,300,000)	-11%	

Notes:

Material changes in costs, between the FY 2015-16 Proposed Budget and the Preliminary FY 2016-17 Budget are detailed below.

- 1. Personnel Costs
The FY 2015-16 Budget includes staffing costs funded by the QRIS Block Grant, the Race To The Top Early Learning Challenge Grant and the SAMHSA funded Early Connections Programs. While funding for the latter two will not continue into FY 2016-17, the California Department of Education has not explicitly committed to funding the Block Grant beyond next year. As such, all Personnel Costs associated with these programs have been excluded from the FY 2016-17 Preliminary Budget, resulting in a 6% reduction in Personnel Costs between the two fiscal years.
- 2. Contracts
Contract costs associated with Race To The Top (\$654k), QRIS Block Grant (\$493k), Packard Foundation (\$110k) and Parent Voices (\$165k) end in FY 2015-16 and will not be extended to FY 2016-17.
- 3. Grants & Stipends
Funding for the CARES PLUS program ends in June 2016, and along with it, funding for Stipends (\$275k). Hence the drop in this category. The budget shown represents grants to community partners under the Community Grants Program which is expected to continue to be funded at previous levels.
- 4. Professional Services
Reduction due to the QRIS Block grant funding for evaluation services ending.
- 5. Program Operating Costs
Reduction due to the QRIS Block grant funding for supplies ending.

First 5 Alameda County

Preliminary Expenditure Budget By Strategy (Information Only)
For the Period July 1, 2016 - June 30, 2017

	COCL	PCB	PAC	E & T	AWARDS	ADMIN	INFRA	TOTAL
	Proposed FY 2016-17	Proposed FY 2016-17	Proposed FY 2016-17	Proposed FY 2016-17	Proposed FY 2016-17	Proposed FY 2016-17	Proposed FY 2016-17	Proposed FY 2016-17
Personnel Costs								
Salaries & Benefits	2,567,605	1,714,889	736,733	898,074	343,562	941,478		7,202,341
Program Contracts/Grants								
Contracts	4,675,297	2,397,200	212,000	359,051			725,000	8,368,548
Grants & Stipends		1,680,000						1,680,000
Professional Services Contracts	199,000	327,000				5,000		531,000
Total Contracts/Grants	4,874,297	4,404,200	212,000	359,051	0	5,000	725,000	10,579,548
Program Operating Costs	212,741	56,250	5,000		165,000	85,000		523,991
TOTAL DIRECT PROGRAM COSTS	7,654,643	6,175,339	953,733	1,257,125	508,562	1,031,478	725,000	18,305,880

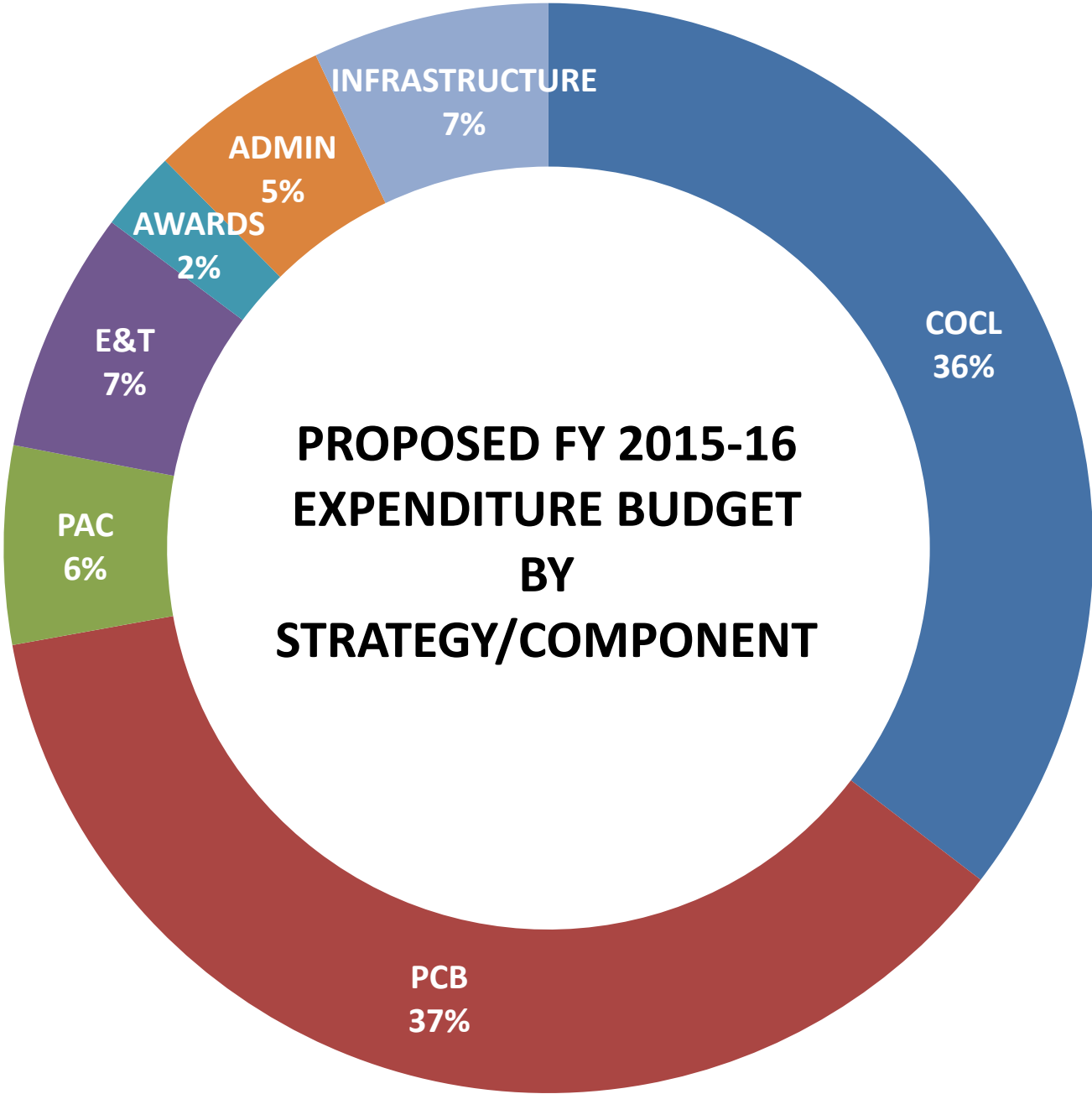
COCL - Continuum of Care & Linkages
 PCB - Provider Capacity Building
 PAC - Policy Advocacy & Communications
 E&T - Evaluation & Technology
 AWARDS - External Awards Administration
 ADMIN - Finance, HR & Administration
 INFRA - Infrastructure Costs

INDIRECT COSTS

Communications/Hosting	107,000
Copying/Printing/Postage	33,000
Equipment Leases/Supplies	6,000
Equipment/Furniture	40,000
Insurance	99,000
Membership and Dues	24,000
Professional Services	143,000
Building Maintenance	120,000
Depreciation	122,120
Total Indirect Costs	694,120

Total Expenditure Budget

19,000,000





To: First 5 Alameda County Commission

From: Mark R Rasiah, Financial Controller

Date: June 18, 2015

Subject: Second and Final Reading of the 2015-2025 Long Range Financial Plan Recommendation

ACTION REQUESTED

To review and approve the attached 2015-25 Long Range Financial Plan (LRFP).

BACKGROUND

First 5 Alameda County has adopted a Long Range Financial Plan annually since March 2004. Adoption of a Long Range Financial Plan has been a statutory requirement of all First 5 Commissions since 2006-07. The current LRFP was formally approved by the Commission in June 2014.

An update to the LRFP is presented in Appendix A with underlying assumptions in Appendix B. The update reflects the Proposed Budget for FY 2015-2016, the actual revenue and expenses for the two preceding years, FY 2012-14 and the most recent Prop 10 Tobacco Tax revenue forecast from the California Department of Finance that was received in June 2014. Historical background information about the Long Range Financial Plan is provided in Appendix C. Staff responses to questions raised by Commissioners at the first reading are presented in Appendix D.

The first reading of the 2015-20125 Long Range Financial Plan proposal took place on April 23rd, 2015 before the full Commission. This presentation is the second and final reading of the same. There are no changes to the Proposed LRFP that was presented to the Commission at the first reading.

The first public reading of the revised Plan was held on April 23, 2015. The second and final reading will be held on June 18, 2015.

MINIMUM FUND BALANCE REQUIREMENTS

From time to time, First 5 Alameda County has used Sustainability funds to augment operating budget needs and to meet revenue shortfalls, to the extent authorized by the Commission. The Sustainability Fund Balance as of June 30, 2014 was nearly \$36 million. However, this Fund may not be spent down to zero; some funds must be maintained as an operating reserve to cover ongoing cash flow requirements to act as a buffer since there are delays in receiving state tobacco tax revenues or other revenues. The policy is to maintain an amount in the Fund Balance, at a minimum, equal to six months of operating expenses plus an amount to cover fiscal obligations under the Reduction in Workforce Policy (currently about \$800,000).

FISCAL IMPACT

There is no fiscal impact.

RECOMMENDATION

That the Commission review and approve the Long Range Financial Plan presented in Appendix A.

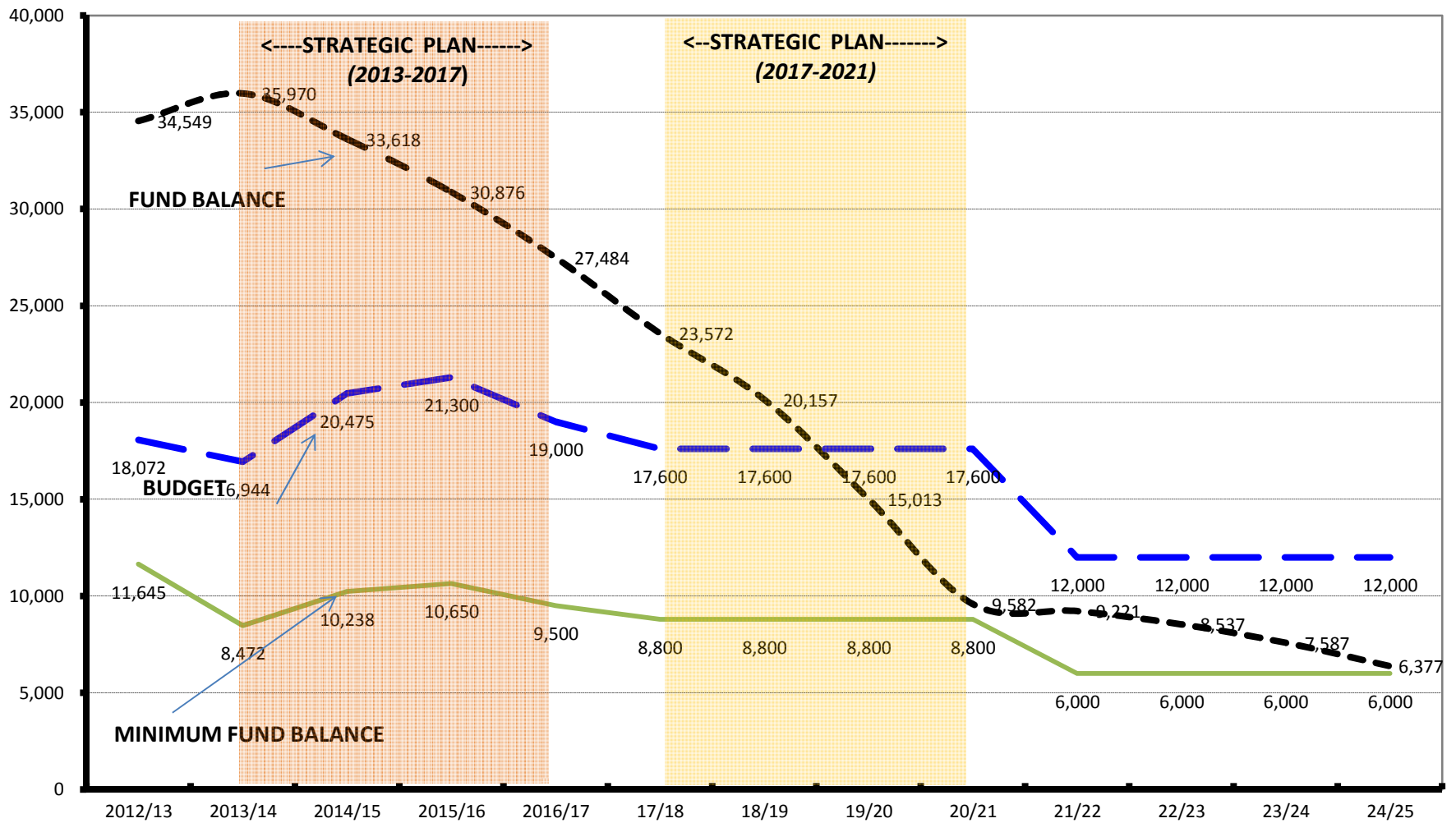
Submitted by:

Reviewed by:

Mark R Rasiah ,
Financial Controller

Janis Burger,
Chief Executive Officer

LONG RANGE FINANCIAL PLAN 2015-2025 BUDGET & FUND BALANCE (\$000s)



Dollars in Thousands	2013 - 2017 Strategic Plan					2017 - 2021 Strategic Plan				2021 - 2024 Strategic Plan			
	Actual 2012/13	Actual 2013/14	REVISED ESTIMATES	PROPOSED BUDGET	PRELIMINARY BUDGET	Projections				Projections			
			2014/15	2015/16	2016/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
Beginning Fund Balance	39,768	34,549	35,970	33,618	30,876	26,684	23,572	20,157	15,013	9,582	9,221	8,537	7,587
REVENUES													
Prop 10 Tobacco Tax	13,647	13,172	13,036	12,710	12,392	12,083	11,780	11,486	11,199	10,919	10,646	10,380	10,120
Interagency Income													
- ACBHCS Early Connections(SAMHSA)	624	611	316	150	0								
- ACPHD Project LAUNCH (SAMHSA)	853	554	344		0								
- ACPHD Data systems Hosting & Mtce	125	89	43	43	43	50	50	50	50	50	50	50	50
- ACSSA Parent Voices			165	178	0								
- AC ICPC				50	0								
- AC Office of Educ. (QRIS)				900	0								
- ACHCS (Fathers Corp.)				80	80								
- HMG Linkage Line	142	128	343	343	343								
- CSU Eastbay Foundation (HPN)		131	82	0	0								
- First 5 California (HMG)				150	0								
- First 5 Contra Costa	139	139	139	145	145								
Fiscal Leveraging													
- MAA	705	732	900	900	900	750	750	750	750	500	500	500	500
Grants													
Federal - SART Earmark #2	433	164	0	0	0								
- Race To The Top	588	954	1,418	760	0								
State - CARES PLUS	226	256	279	276	0								
Private - Long Foundation	396	446	470	1,043	1,335	1,335	1,335						
- Packard Foundation		50	57	110	0								
- Koshland Foundation		100	100	100	0								
- Stulsaft Foundation			11	0	0								
- East Bay Community Fdn		413	0	0	0								
Other - Bay Area Council				100	0								
- Oakland Educ Fund(QRIS)				110	0								
- Oakland Educ Fund(HMG)				40	0								
Investment Income	104	388	400	350	350	250	250	150	150	150	100	100	100
Miscellaneous Income	88	38	20	20	20	20	20	20	20	20	20	20	20
TOTAL REVENUES	18,070	18,365	18,123	18,558	15,608	14,488	14,185	12,456	12,169	11,639	11,316	11,050	10,790
EXPENSES													
9 Strategies & Contracts Admin.	15,278	14,702	17,923	18,656	16,550								
Finance/HR/Administration	1,088	1,162	1,006	1,148	1,031								
Infrastructure(Prof. Svc/ Systems/Bldg)	1,706	1,080	1,546	1,496	1,419								
TOTAL BUDGETED EXPENSES	18,072	16,944	20,475	21,300	19,000	17,600	17,600	17,600	17,600	12,000	12,000	12,000	12,000
CASHFLOW													
Building costs	5,217												
Total Disbursements	23,289	16,944	20,475	21,300	19,000	17,600	17,600	17,600	17,600	12,000	12,000	12,000	12,000
Shortfall/(Surplus) Revenue over Expenses	(5,219)	1,421	(2,352)	(2,742)	(3,392)	(3,112)	(3,415)	(5,144)	(5,431)	(361)	(684)	(950)	(1,210)
Ending Fund Balance	34,549	35,970	33,618	30,876	27,484	23,572	20,157	15,013	9,582	9,221	8,537	7,587	6,377
MINIMUM FUND BALANCE REQUIRED (50% OR 6 Months of annual disbursement)	11,645	8,472	10,238	10,650	9,500	8,800	8,800	8,800	8,800	6,000	6,000	6,000	6,000
Ending Fund Balance:													
Committed for Stabilization	\$ 34,549	\$ 30,970	\$ 33,618	\$ 30,876	\$ 27,484	\$ 23,572	\$ 20,157	\$ 15,013	\$ 10,382	\$ 9,221	\$ 8,537	\$ 7,587	\$ 6,377
Transferred to PV Foundation		\$ 5,000											
Provision for Reduction in Workforce Policy	\$ -	\$ -	\$ -	\$ -	\$ (800)	\$ -	\$ -	\$ -	\$ (800)	\$ -	\$ -	\$ -	\$ -
Total Ending Fund Balance	\$ 34,549	\$ 35,970	\$ 33,618	\$ 30,876	\$ 26,684	\$ 23,572	\$ 20,157	\$ 15,013	\$ 9,582	\$ 9,221	\$ 8,537	\$ 7,587	\$ 6,377



APPENDIX B – ASSUMPTIONS FOR THE REVISED LONG RANGE FINANCIAL PLAN

Presented below are the assumptions used to develop the Long Range Financial Plan contained in Appendix A.

REVENUES

2013-14 figures are from the revised budget approved in February 2014. For 2014-15 and subsequent years, the following revenue assumptions were used:

- **Tobacco Tax** – The California Department of Finance (DoF) prepared revised projections of First 5 tobacco tax revenues in June 2014. These take into account the effects of the federal tobacco tax, other declines in state tobacco tax revenues (such as those due to general economic conditions), Prop 99 backfill amounts and other factors. The projections cover the 2014-2017 period.

The DoF projections for Alameda County show expected annual drops of 3% - 3.5% for the 2014-2017 period.

<u>Fiscal Year</u>	<u>DoF Projection</u>	<u>Actual Revenue</u>
2010-2011:	\$14.0m	\$14.3m
2011-2012:	\$13.8m	\$14.5m
2012-2013:	\$13.3m	\$13.6m
		<u>Actual/Est Revenue</u>
2013-2014:	\$13.2m	\$13.2m
2014-2015:	\$13.0m	\$13.0m (EST.)
2015-2016:	\$12.4m	\$12.7m (EST.)
2016-2017:	\$12.0m	\$12.4m (EST.)

For the purposes of this Long Range Financial Plan, the rate of decline over the 2015-2025 time-frame has been assumed to be 2.5%. It is anticipated that tobacco tax collections will not decline at a steeper rate, but instead, “flatten out” in the outer years.

- **Fiscal Leveraging** – From FY 2009-10, fiscal leveraging revenues consist entirely of federal reimbursements under the Medi-Cal Administrative Activities (MAA) program.

Gross MAA revenues for the prior fiscal year are usually received 8-12 months in arrears. These have previously averaged around \$700k- \$750k per year, but as a result of the perpetual time study methodology introduced by the granting agency in FY 2013-14, revenues are expected to average around \$900,000 instead. For the purposes of this LRFP, it is assumed that programs eligible for MAA claiming will be reimbursed at this level through the 2016-17 budget year, and will thereafter receive a lower reimbursement of \$750,000 for FY 2017-21 and drop to \$500,000 thereafter.

- **Other**– Private Grant Revenue from the Long Foundation is expected to continue through the FY 2014-19 period. Grants from the Packard Foundation, the Koshland Family Foundation, the Oakland Educational Fund and the Bay Area Council are also expected as shown on the Long Range Financial Plan Summary.

Other grant revenues consist of: the California Department of Education, Early Learning Challenge Grant for Race to the Top (ending 6/30/16 and new QRIS Block grant funding); The State grant for CARES PLUS which is expected to end in June 2016; and a grant from First 5 California to support statewide systems work for Help Me Grow.

Interagency income represents: -

- A SAMHSA federal award for AC Behavioral Health Care Services Early Connections (ends 9/30/15).
- AC Public Health Department funding for Help Me Grow Linkage Line services.
- F5AC database maintenance and hosting.
- Funding from AC Social Services Agency to support Parent Voices.
- Funding from AC Social Services and Public Health Department to support Fathers Corps work.
- Funding from Interagency Children’s Policy Council for the school readiness assessment.
- Reimbursement will also be received from First 5 Contra Costa for hospital outreach coordinator services.

When new grants are awarded, the Long Range Financial Plan will be revised accordingly.

- **Investment Revenue** – The FY 2015-16 proposed budget estimates investment income to be earned at a rate of 1% of the beginning fund balance.

EXPENSES

FY 2014-15 expenditure figures are from the revised budget approved in February 2015. For fiscal years 2017-25, total expenses have been reduced so as to leave a minimum fund balance as recommended below. The plan does not provide for any cost of living allowances or

inflationary increases. In prior years these increases have been well within the range of annual budgetary savings, and this is expected to continue in future years as well.

MINIMUM FUND BALANCE REQUIREMENTS

The Sustainability Fund cannot be spent down to zero; some funds must be maintained as an operating reserve to cover ongoing cash flow requirements to act as a buffer if there are delays in receiving state tobacco tax revenues or other revenues. The recommendation is to maintain an amount in the Fund Balance, at a minimum, equal to six months of operating expenses plus an amount to cover fiscal obligations under the Reduction in Workforce Policy (currently about \$800,000).

APPENDIX C – HISTORICAL BACKGROUND

The Long Range Financial Plan tool was designed to strategically guide the use of First 5 Alameda County’s Sustainability Fund. The Sustainability Fund was established by the First 5 Alameda County Commission as a strategy to ensure a long term commitment to funding services for children age 0-5, even as the tobacco tax revenue declined.

The Sustainability Fund is projected to be approximately \$34 million at the end of the current fiscal year (2014-15) and was accumulated in a number of ways over the past twelve years. First, the Fund developed through the initial reserve that occurred when tax dollars were accumulated but funds could not be spent until a Strategic Plan was passed (Jan. 1999-Jan. 2000). In addition, contributions to the Sustainability Fund were budgeted over a number of years (2001-2004). Finally, budgeted funds that remained unspent were directed by the Commission to the Sustainability Fund rather than rolling to the subsequent year’s budget (2001-present).

It is important to note that Sustainability Funds have been budgeted for program use since 2005-06, which means that expenses have been projected higher than revenues in each of those years, but budget savings in those years made it unnecessary to draw from the Fund. These changes have resulted in draws from the Sustainability Fund since FY2009-10.

The following is the use of sustainability funds as indicated in the Long Range Financial Plan. The plan assumes that Sustainability Funds will continue to be used to maintain a balanced budget.

<u>Fiscal Year</u>	<u>Draw down from Sustainability for Operations (\$millions)</u>	
	<u>Planned draw down</u>	<u>Actual amount drawn</u>
<u>FY 2009-2013 Strategic Plan</u>		
2009-10	\$6.9m	\$3.3m
2010-11	\$9.3m	\$6.7m
2011-12	\$4.1m	\$0.8m
2012-13	\$9.0m	\$5.3m
<u>FY 2013-17 Strategic Plan</u>		
2013-14	\$1.7m	\$0.0
2014-15	\$2.3m	\$2.3m (EST.)
2015-16	\$2.7m	-
2016-17	\$3.4m	-
<u>FY 2017-21 Strategic Plan</u>		
2017-18	\$3.1m	-
2018-19	\$3.4m	-
2019-20	\$5.1m	-
2020-21	\$5.4m	-

APPENDIX D – QUESTIONS RAISED BY COMMISSIONERS AT THE FIRST PUBLIC HEARING.**Q1: Why is there a wide variation in actual expenditures in prior years?**

FY 2012-13 - \$18.0m (Actual)

FY 2013-14 - \$16.9m (Actual)

FY 2014-15 - \$20.4m (Budget)

A1:

The fluctuation of expenditures is in part due to several new programs that came on line in FY 2014-15 (RTT, HMG), even as older programs sunset (Project LAUNCH, Early Connections). Fluctuations are also the result of contractual funds that roll-over from one year to the next, whenever funds are not spent in a given year.

Q2: Why was \$6.7 million drawn down from sustainability in FY 2010-11?

A2: The \$6.7m draw from Sustainability funds in 2011 was necessary to maintain a stable and predictable level of expenditure throughout the 2009-2013 strategic plan time-frame, even as revenue continued to decline.

There was a one-time \$5m reduction in staff and other expenses in 2012, to align expenses with declining revenues as required by the current strategic plan. That reduction has resulted in a much lower draw on Sustainability Funds in the 2012-2014 years. The 2015-2025 LRFP anticipates further budget reductions in the years ahead, at the start of each 4-year Strategic Plan cycle. Expenditures will be maintained flat for the four years of the plans, barring unforeseen new revenue sources.



TO: First 5 Alameda County Commission
FROM: Janis Burger, Chief Executive Officer
DATE: June 18, 2015
RE: First 5 Alameda County Advocacy Policy

REQUESTED ACTION

To approve a First 5 Alameda County policy regarding taking positions on advocacy issues.

BACKGROUND

Many opportunities arise for the Commission to advocate for changes impacting national and statewide policies regarding children and families. These opportunities require action (e.g. letter of support) to be taken in a timely manner. F5AC is requesting Commission approval of an agency policy that allows staff to take action on legislative issues if there is not time to present information or a request at a Commission meeting.

This would apply to policy items which are:

- 1) Clearly aligned with the First 5 Alameda County Strategic Plan and;
- 2) Are proposed by an organization whose position is highly regarded by local agencies, First 5 California or First 5 Association staff;

The First 5 CEO or COO would advocate for such policy items on behalf of the Commission and report actions taken at the next full Commission meeting. Advocacy actions could include signing on to support letters, contacting elected officials or informing partners about advocacy efforts.

FISCAL IMPACT

There is no fiscal impact on approving this policy

RECOMMENDATION

That the Commission review and approve the above policy

Reviewed and Submitted by:

Janis Burger
Chief Executive Officer