



FIRST 5 ALAMEDA COUNTY COMMISSION MEETING AGENDA

Thursday, February 21, 2019

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

9:00 AM – 11:30 AM

Commissioners: Chair: Renee Herzfeld, Vice Chair: Cecilia Echeverría, Wilma Chan, Colleen Chawla, Scott Coffin, Lori Cox, Tomás A. Magaña M.D., Karina Moreno, Kimi Watkins-Tartt

Alternates: Vanessa Cedeño, Aneeka Chaudhry, Michelle Love

- 1. Public Comment (for items not listed on the agenda) - Limited to 3 minutes per speaker**
- 2. Approval of Minutes from December 13, 2018**
- 3. Staff Announcements**

INFRASTRUCTURE

- 4. Election of Officers**
- 5. F5AC Executive Committee membership**
- 6. Contract Authorizations**
- 7. FY 2018-19 Mid-Year Financial Report**
- 8. FY 2018-19 Mid-Year Investment Report**
- 9. FY 2018-19 Budget Modification Recommendation**

PROGRAM

- 10. Family Friend and Neighbor Presentation**
- 11. State Commission and Association Updates**
 - **First 5 Association presentation**
- 12. Legislation and Public Policy Update**
 - **Legislative Analyst's Office/Governor's Budget Update**
 - **F5AC 2019 Policy Agenda**

MISCELLANEOUS

- 13. Communication from Commissioners**

Commission Meeting Agenda

February 21, 2019

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.

14. Adjournment

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FIRST 5 ALAMEDA COUNTY COMMISSION MINUTES

Thursday, December 13, 2018

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

9:00 AM – 11:30 AM

Commissioners: Chair: Renee Herzfeld, Vice Chair: Cecilia Echeverría, Tomás A. Magaña M.D., Scott Coffin, Kimi Watkins-Tartt, Pamela Simms-Mackey M.D.

Alternates: Vanessa Cedeño

Absent: Wilma Chan, Lori Cox

Chair Herzfeld called the meeting to order at 9:04 AM.

1. Public Comment

There was no Public Comment.

2. Approval of Minutes from October 18, 2018

Commission Action: The Commission approved the October 18, 2018 minutes upon motion by Commissioner Alternate Cedeño, seconded by Commissioner Simms-Mackey and unanimously carried with no abstentions (7 in favor, 0 opposed, 0 abstentions).

3. Staff Announcements

Ms. Kristin Spanos, CEO announced that Commissioner Simms-Mackey is stepping down from her position on the Commission. This will be her last meeting after 14 years of service. A special acknowledgement will be held at the end of the meeting.

The Director of Operations and Technology position has been filled. Ms. Mojgan Vijeh's first day with the agency will be January 22nd. She comes to us from the Ann Martin Center where she recently served as the Chief Financial Officer.

Ms. Spanos announced she is working with an Organizational Development consultant on planning leadership retreats for the executive team as well as senior leadership.

INFRASTRUCTURE

4. 2019 Commission Calendar

Ms. Spanos stated the 2019 Commission meeting calendar has been finalized and is included in the meeting materials. There have been no conflicts noted by the Commission with the meeting dates.

5. Contract Authorizations

Ms. Christine Hom, Interim Chief of Staff presented a brief overview of the contract authorizations.

Chair Herzfeld facilitated the following votes:

- WestEd
- Red Car IT Solutions

Commission Action: The Commission approved the contracts above upon motion by Vice Chair Echeverría, seconded by Commissioner Simms-Mackey, and unanimously carried with no abstentions (7 in favor, 0 opposed, 0 abstentions).

Chair Herzfeld facilitated the following vote:

- eightCloud

Commission Action: The Commission approved the contract above upon motion by Commissioner Coffin, seconded by Vice Chair Echeverría, and unanimously carried with Commissioner Simms-Mackey abstaining from the vote (6 in favor, 0 opposed, 1 abstention).

Vice Chair Echeverría facilitated the following vote:

- Berkeley Albany YMCA

Commission Action: The Commission approved the contract above upon motion by Commissioner Magaña, seconded by Commissioner Alternate Cedeño, and unanimously carried with Chair Herzfeld abstaining from the vote (6 in favor, 0 opposed, 1 abstention).

6. Personnel Policies Recommendation

Ms. Mary Williams, HR Consultant presented the Personnel Policies Recommendation. The significant changes identified in the Employee Policies and Procedures Handbook are outlined in the memo presented to the Commission. There is no fiscal impact related to the recommendations.

Commission Action: The Commission approved the adoption of the Personnel Policies Recommendation upon motion by Vice Chair Echeverría, seconded by Commissioner Magaña, and unanimously carried with no abstentions (7 in favor, 0 opposed, 0 abstentions).

7. 2019 Cost of Living Adjustment Recommendation

Ms. Hom presented the 2019 Cost of Living Adjustment (COLA) Recommendation. The fiscal impact of granting a 3.75% COLA for the six month period of the current fiscal year and the first six months of the next fiscal year is \$181,469 (\$90,735 each fiscal year). Current year salary savings will allow the agency to absorb the impact on the FY 2018-19 budget and we will incorporate the impact of the COLA into the budget for FY 2019-20.

Commissioner Coffin asked how often the agency conducts an external salary survey. Ms. Spanos stated the agency conducted a class and compensation survey three years ago. Before the most recent survey, it had been seven years since one had been completed. There hasn't been a set timeline for determining when to conduct an external salary survey. Ms. Spanos added salary ranges are adjusted accordingly if a COLA is approved. Ranges had not been changed based on approved COLAs in prior years. Commissioner Coffin suggested putting the class and compensation survey on the docket for the next year to keep a pulse on the market.

Commission Action: The Commission approved the 2019 Cost of Living Adjustment recommendation upon motion by Commissioner Simms-Mackey, seconded by Vice Chair Echeverría and unanimously carried (7 in favor, 0 opposed, 0 abstentions).

PROGRAM

8. Alameda County & City of Oakland Child Care and Early Education Initiatives

Ms. Spanos provided an update on the Alameda County and City of Oakland Child Care and Early Education Initiatives. The Alameda County initiative did not pass in the June election and the Board of Supervisors decided to not move forward with placing the initiative on the November ballot. A group will reconvene in early 2019 with systems leaders to discuss focus group findings. The agency will be working with Commissioner Chan's office to host the Childcare in 2020 focus group. Commissioner Alternate Cedeño added the Alameda County measure group has been working on expanding spots giving the community more access to childcare. The group has been brainstorming on how to create a narrative with better messaging.

Ms. Spanos stated the Oakland City Council voted to move forward with legal action to pursue debating the election results for Measure AA. The measure received about 62% of the vote. The ballot stated the measure needed 66.67% of the vote to pass. However, since the measure was put on the ballot by a citizen signature gathering effort, it may have only needed a majority vote. It may take up to two years to determine the outcome based on legal action currently underway in San Francisco for a similar effort.

9. State Commission and Association Updates

Ms. Spanos stated the Association has been experiencing recent agency growth. They were successful in securing a Pritzker Children's Initiative grant to strategize how to streamline California's system of care for children prenatal to age three. They are working on defining the work of the Association and the California Children and Families Foundation (operated by the Association) and specifically looking at universal home visiting and developmental screening services. Ms. Spanos stated the Association has hired Sarah Crow to serve as the Program Director to oversee the work. The full amount of the funding has not been received, but it may be about \$3M.

Ms. Spanos stated a number of agency staff attended a convening in Palm Springs earlier in the week hosted by the Association. The goal of the summit was to bring all of the First 5 Commissions together to think about how the First 5 Network can help build early childhood systems of care that not only

support children, but also enhance family resilience, and improve both local communities and the State as a whole.

10. Legislation and Public Policy Updates

Ms. Spanos introduced Page Tomblin, Senior Administrator, Policy to provide policy updates.

Ms. Tomblin announced that she along with other agency staff members will be participating in the Alameda County Point-In-Time Count of individuals and families experiencing homelessness. EveryOne Home needs 500 volunteers that will work in teams to complete the visual count of unsheltered individuals experiencing homelessness in every city throughout Alameda County. The count will take place on January 30th. The agency is rethinking its policy agenda to be inclusive of the impact of homelessness.

Ms. Tomblin stated the agency will be partnering with the National League of Cities and the Center for the Study of Social Policy to bring to Alameda County an opportunity called the “Early Learning Communities Network”. The kick off dinner will take place on January 30th with key note speaker Mayor Libby Schaaf.

Ms. Tomblin reported that Assemblymember Kevin McCarty is looking to expand access to preschool education for low and middle-income families under AB 123. Under AB123, children who live in areas where at least 70 percent of students fall below a certain income level would become eligible for free preschool.

Ms. Spanos thanked Commissioner Chan for her work on a Public Charge Town Hall meeting held on November 8th. Ms. Lisa Forti, Director of Policy, Planning & Evaluation stated the agency commented on the public rule change, but also encouraged individuals to enter their own statements.

Commissioner Alternate Cedeño stated Alameda County’s Complete Count Committee for Census 2020 had their kick off on November 14th. Casey Farmer will be taking the lead on pulling together focus groups in early 2019 that will include the Early Childhood Education community. An invitation will be extended to the Commission.

Ms. Tomblin provided a copy of the agency’s tobacco policy. She stated legislators are working on banning flavored tobacco such as menthol and vaping also known as Juul. Ms. Tomblin stated an ordinance passed requiring retailers to obtain a license to sell tobacco products.

11. Fatherhood Summit

Ms. Spanos introduced Kevin Bremond, Fathers Corps Administrator, to share an update on the upcoming Fatherhood Summit. The inaugural Fatherhood Summit hosted by the Fathers Corps on Saturday, March 16, 2019 will empower fathers and father figures by celebrating and honoring the important role fathers play in the lives of their children. Mr. Bremond stated sponsors to date include Kaiser Permanente, First 5 California, the Alameda Alliance for Health and Alameda County Social Services Agency. The event has also received commitments of support from County Supervisors Carson, Miley and Valle. Mr. Bremond requested the Commission share information about the Fatherhood

Summit in support of outreach and social media efforts. Organizers are partnering with the ride sharing company Uber for transportation to and from the event for participants. They are hoping to attract 1,000 fathers and father figures to attend as well as 100 volunteers to help with the event. Commissioner Simms-Mackey suggested reaching out to local high schools for volunteers. Mr. Bremond will send registration information to the Commission once it opens in early 2019.

Commissioner Magaña inquired about the workshop content that will be presented at the Summit. Mr. Bremond stated there will be a workforce track, intergenerational track, panel discussions on child support, advocacy and will offer translations in Spanish.

Mr. Bremond stated the Fatherhood Partnership has just completed its fourth month with their third meeting. Ideally the leaders in the partnership will lead workshops at the Summit. The Fatherhood Partnership builds the capacity of participants to offer father-specific education and support groups.

Ms. Spanos thanked Mr. Bremond for his work and the Commission for their support of the Fathers Corps.

12. **FY 2017-18 State Annual Report Approval**

Ms. Forti presented the FY 2017-18 State Annual Report. Each year First 5 Alameda County is required to submit an annual report to First 5 California. The report contains information on clients served and financial data, and a narrative summary of evaluations completed in FY 2017-18. The report was submitted on October 31, 2018. Ms. Forti thanked the Evaluation and Finance teams for their work on the report.

Commission Action: The Commission approved the submission and content of the FY 2017-18 Annual Report to First 5 California upon motion by Vice Chair Echeverría, seconded by Commissioner Simms-Mackey and unanimously carried (6 in favor, 0 opposed, 0 abstentions).

13. **20th Anniversary Celebration**

Nichole Brown, Oakland Public Library made a public comment. Ms. Brown gave a testimonial on the positive effort of their partnership with First 5 in support of the school readiness backpack program. Ms. Brown's branch serves a large population and thanked the Commission for their continued support.

Kelly Kiefer and Heather Johnson, San Leandro Public Library made a public comment. They each gave a testimonial on families utilizing and enjoying the backpack program. They thanked the Commission for their continued support.

Ms. Spanos provided a brief introduction and introduced staff to present the 20th Anniversary Report.

Ms. Carla Keener, Director of Programs presented an outline of the report. Programmatic highlights include: Parent and Community Engagement, Quality Early Care and Education, Early Identification and Intervention and Training and Capacity Building.

Ms. Keener stated that the Parent and Community Engagement work provides a continuum of concrete supports to strengthen families by embracing parent and community leadership, investing in neighborhoods and leveraging other community and public system efforts. Quality ECE enhances early learning opportunities by providing professional development, coaching and rating to ECE providers. Helping early care and education providers improve their programs supports preparation for kindergarten and assists with student success in school and life.

Ms. Keener introduced Ms. Loren Farrar, Help Me Grow (HMG) Coordinator to present highlights of the Early Identification and Intervention work. In 2001, early efforts to promote screening and healthy child development reported 356 child development screenings. In FY 2017-2018, HMG reported 21,928 child development screenings had been completed. Ms. Farrar stated in 2009 the HMG phone line was launched and is regarded as a leader in the community for phone line work. In 2014, HMG developed alamedakids.org which is an online resource directory.

Ms. Keener introduced Ms. Beth Hoch, Program Administrator, Training @ First 5, to provide an overview of Training and Capacity Building highlights. The agency has developed robust, comprehensive, and free to low-cost early childhood training programs for the community. Ms. Hoch stated over the past 20 years, the agency has tripled the number of trainings offered, providers engaged and agencies represented since inception with 2,155 providers being trained in FY 2017-2018.

Ms. Tomblin and Ms. Forti presented on behalf of Policy and Evaluation. Ms. Forti presented an overview of policy and data for action. There was a 24% increase in child homeless in the last three years and a 19% increase in childcare costs from 2001-2017. Ms. Forti stated there were some bright spots in the data. There was a decrease from 2014 with six year olds with unidentified or untreated developmental issue in 2017.

Ms. Tomblin stated the agency has been working on advocating for policy changes and enhancements that will reduce the financial burdens associated with raising a family, remove administrative barriers to existing programs to better address the needs of communities, families, and children as well as advocate for increased resources to adequately meet needs. The agency has supported family engagement, leadership and community well-being by providing capacity and infrastructure for providers.

Ms. Spanos thanked the First 5 staff, Commission and community partners for their work and leadership.

MISCELLANEOUS

14. Communication from Commissioners

Chair Herzfeld invited attendees to stay for cake to celebrate the 20th Anniversary directly following the adjournment of the Commission meeting.

Ms. Spanos stated that Commissioner Simms-Mackey has served on the Commission since June 2004. During the last 14 years, she has served as Vice Chair and Chair and has been a committed champion of First 5's work and the early childhood system of care. Ms. Spanos expressed her gratitude for her



valuable contribution and perspective on behalf of the children and families in Alameda County. First 5 wishes her all the best in her future work at UCSF Benioff Children's Hospital and with the California Wellness Foundation.

Vice Chair Herzfeld thanked Commissioner Simms-Mackey for her service on behalf of the Commission.

Commissioner Alternate Cedeño presented Commissioner Simms-Mackey a certificate of acknowledgement on behalf of the Board of Supervisors.

15. Adjournment

Chair Herzfeld adjourned the meeting at 11:09 AM.



To: First 5 Alameda County Commission
From: Christine Hom, Interim Chief of Staff
Date: February 21, 2019
Subject: Contract Authorizations

REQUESTED ACTION

To review the following contract authorizations.

BACKGROUND

Per our Financial Policies, Section VII. Purchasing and Contracting, the Commission must approve contract/award amounts in excess of \$50,000. The following awards require specific authorization from the Commission.

Alameda Health System - \$25,700

First 5 Alameda County is requesting approval of a FY2017-19 \$25,700 contract amendment with Alameda Health System's Highland Hospital to extend the implementation of Project DULCE (Developmental Understanding and Legal Collaboration for Everyone), a family support intervention model bridging infant health and legal access for families through October 31, 2019. This is the fourth year of the Project DULCE project, which is implemented through a partnership between First 5 Alameda County, the Center for the Study of Social Policy (CSSP), and Highland Hospital's Pediatric Department. The addition of \$25,700 brings the FY 2017-20 aggregate contract amount to *\$205,364 for which Commission approval is needed.

*F5AC currently has the following contract with Alameda Health System:

- FY2017-19 contract for \$179,664 to continue implementation of the Project DULCE model at Highland Hospital Pediatric Department.

Fiscal Impact: Funding is provided by CSSP and has been added to the mid-year budget modification.

Action requested: Approve an aggregate FY 2017-20 award amount of \$205,364 with Alameda Health System.

Community Child Care Council (4Cs) of Alameda County- \$10,000

First 5 Alameda County is requesting approval of a FY 2018-20 \$10,000 contract amendment with 4Cs of Alameda County to pilot the Gee Whiz Curriculum with a cohort of family child care providers for a 6 month period (March – August 2019), to include an evaluation of its efficacy. The Gee Whiz Curriculum is designed specifically for family child care providers with mixed age groups, is aligned with the California Department of Education’s Curriculum Frameworks for Infants, Toddlers and Preschools and focuses on hands on activities addressing developmental areas to prepare children for Kindergarten. The addition of \$10,000 brings the FY 2017-20 aggregate contract amount to \$535,000 for which Commission approval is needed.

Fiscal impact: Funding for this is budgeted and is provided by First 5 California IMPACT grant funding.

*First 5 currently has the following contracts with Community Child Care Council (4Cs) of Alameda County:

- FY2017-19 for \$405,000 (FY 17-18: \$145,000; FY18-19: 260,000) to provide professional development opportunities for the Early Childhood Education (ECE) workforce in Alameda County and on-site technical assistance and coaching to Quality Rating and Improvement System (QRIS) sites.
- FY2018-20 for \$120,000 (FY 18-19: \$60,000; FY 19-20: \$60,000) to provide coordinated training and playgroups for Family, Friend, and Neighbor caregivers and Family Child Care Providers who care for children birth to 5 years old in Alameda County.

Action requested: Approve an aggregate FY2017-20 \$535,000 contract amount with Community Child Care Council (4Cs) of Alameda County.

Early Quality Systems – \$185,000

First 5 Alameda County is requesting approval of a FY2018-20 \$185,000 contract with Early Quality Systems to implement, host, and manage the new Alameda County Quality Counts QRIS data system, iPinwheel. In November 2018, First 5 released a Request for Proposals (RFP) to identify an application provider and/or implementation partner to develop and implement a comprehensive QRIS Application for replacing its core Quality Counts applications and online portal by June 30, 2019. These QRIS applications include, but are not limited to Rating, Coaching, and Participant interfaces. Of the applicants, Early Quality Systems was selected to configure and launch the system for Alameda County, train First 5 Alameda County staff and QC partners, and manage the data system. This contract will also include iPinwheel licensing for Alameda County through June 30, 2020.

Fiscal impact: Partial funding for this is budgeted and will be provided by a combination of the IMPACT Region 4 Training and Technical Assistance Hub (\$17,875), First 5 California IMPACT grant (\$10,000) and Prop 10 (\$142,000). Quality Counts California QRIS Block grant funding (\$15,125) has been added via the mid year budget modification.

Action requested: Approve a FY2018-20 \$185,000 contract with Early Quality Systems.

Lotus Bloom Family Resource Center - \$25,000

First 5 Alameda County is requesting approval of a FY2018-19 \$25,000 sole source contract with Lotus Bloom Family Resource Center (Lotus Bloom) to provide support to the Oakland Starting Smart and Strong (OSSS) Collaborative’s Family Resource Center (FRC) Network. Funding will support 25% of a full-time position for one year. FRC Network Coordinator housed at Lotus Bloom who will provide leadership and support to Oakland’s FRC agencies and coordinate with other systems efforts such as First 5’s Neighborhood Ready for Schools and Oakland Fund for Children and Youth’s funding initiatives. The addition of this

\$25,000 contract brings the aggregate FY 2018-19 contract amount to *\$420,000 for which Commission approval is needed.

*First 5 currently has the following contracts with Lotus Bloom Family Resource Center:

- FY2018-19 for \$310,000 to coordinate and implement programs and services at the Castlemont Community Room to Bloom Family Resource Center and conduct neighborhood outreach and family engagement activities.
- FY2018-19 for \$85,000 to provide playgroup services to children 12 months to 48 months who exhibit developmental concerns.

Fiscal Impact: Prop 10 funding is budgeted.

Action requested: Approve an aggregate FY2018-19 \$420,000 contract amount with Lotus Bloom Family Resource Center.

Oakland Unified School District - \$75,000

First 5 Alameda County is requesting approval of a FY 2018-19 \$75,000 contract amendment with Oakland Unified School District (OUSD) to expand the Summer Pre-Kindergarten (SPK) program by four classrooms to serve an additional 72 children. OUSD will be partnering with the Springboard Collaborative to offer this expanded SPK opportunity to include services such as literacy enrichment activities for Pre-K students, workshops for parents, coaching for teachers and tools for families such as books or tablets. The addition of \$75,000 brings the total FY 2018-19 contract amount to *\$277,000 for which Commission approval is needed.

*First 5 currently has the following contract with OUSD:

- FY2018-19 for \$202,000 to support Summer Pre-K (SPK) programs in four classrooms, provide Early Childhood Education (ECE) and K-12 teachers with professional development and orientation to the SPK model and funding to support a School Readiness Coordinator (Program Manager) to develop and implement year round school readiness and transition programming including a student passport/snapshot form, and a variety of family/child learning activities.

Fiscal Impact: Prop 10 funding is budgeted.

Action requested: Approve an aggregate FY2018-19 \$277,000 contract amount with Oakland Unified School District.

West Ed - \$65,000

First 5 Alameda County is requesting approval of a FY2018-19 \$65,000 sole source contract with WestEd to provide two CA CSEFEL (Center of the Social Emotional Foundations of Early Learning) Teaching Pyramid Institutes: Pre-K CSEFEL Train-the Trainer and CSEFEL Coaching. Each institute consists of 3 full days of training for up to 25 people. This will allow Alameda County to continue to increase capacity to provide widely valued and recognized CSEFEL training and coaching to the larger Alameda County ECE community and also allow for larger ECE agencies such as school districts and Head Starts to build sustainability in CSEFEL implementation. WestEd is the only qualified agency to provide this training as they are the sole proprietor of the CA Teaching Pyramid CSEFEL information and materials. The addition of \$65,000 brings the FY 2017-19 aggregate contract amount to \$910,300 for which Commission approval is needed.

Fiscal impact: Funding for this is budgeted and will be provided by the First 5 California IMPACT grant Incentive Layer.

*First 5 currently has the following contract with WestEd:

- FY2017-19 for \$845,300 (FY17-18: \$309,404; FY 18-19: \$535,896) to provide valid and reliable CLASS and ERS assessments for early care and education programs participating in the Alameda County Quality Rating Improvement System, Quality Counts.

Action requested: Approve an aggregate FY2017-19 \$910,300 contract amount with WestEd.

RECOMMENDATION

That the Commission approve the above contract authorizations.

Submitted by:

Reviewed by:

Christine Hom
Interim Chief of Staff

Kristin Spanos
Chief Executive Officer



To: First 5 Alameda County Commission

From: Christine Hom, Interim Chief of Staff

Date: February 21, 2019

Subject: FY 2018-19 Mid Year Financial Report, July 1, 2018 – December 31, 2018

REQUESTED ACTION

To review the Financial Report for the first six months of FY 2018-19.

BACKGROUND

This narrative, and the attached statements, report Revenues and Expenses for the period July 1 – December 31, 2018. At the end of December, 50% of the fiscal year was complete. Therefore it is reasonable to expect that total revenues and total expenses will be at or near 50% of budget projections, subject to timing lags. Material exceptions are noted below.

Revenue

As of December 31st, total half yearly revenue received was \$8.4 million, or 39% of the revenue projection for the current fiscal year compared to 31% last year. Of this amount:

- Tobacco Tax receipts of nearly \$5.5m (of \$12.2m budgeted) or 45% was received for the first six months of the fiscal year. Proposition 10 revenues are typically received 2 months in arrears consistent with prior year's trends. \$4.3m of Prop 10 tobacco tax was received and \$1.2m of Prop 56 tobacco tax was received for the period of FY 2017-18.
- As of December 31st, \$1.3m (of \$3.9m budgeted) or 33% of Inter-agency Income had been received mainly from reimbursements from several contracts with Alameda County Public Health Department (Help Me Grow Linkage Line, Healthy Teeth, Healthy Communities Dental Transformation contracts), Alameda County Health Care Services Agency (Fathers Corp program support) and the Alameda County Office of Education (QRIS Block Grants 4 and 5).
- Grant funding of \$508,000 (of \$854,250 budgeted) or 59% was received from the Thomas J Long Foundation, Sunlight Giving and University of Chicago, Chapin Hall.
- We received unbudgeted Medi-Cal Administrative Activities (MAA) backcasting reimbursement for FY 2010-13 in the amount of \$522,861 and revenue from FY 2016-17 Quarters 1 and 2 in the amount of \$276,793. We anticipate receiving approximately \$1.1m for FY 2016-17 invoice reimbursement. MAA invoicing for FY 2017-18 expenditures are in process and reimbursements are expected later this calendar year. MAA revenue is budgeted at \$900,000 for FY 2018-19.

- Investment revenue of nearly \$255,902 was received in the first six months and represents 68% of the budgeted \$375,000 for the year.

Expenses

At \$6.1m, total Expenditures for the first six months were almost 29% of the budgeted amount of \$21.2m. Personnel costs are at 40% of the budgeted amount and include hiring to support organizational restructuring. Contracts expenses are at \$1.7m or 17% of budget. Invoicing for first and second quarter contract payments are currently underway and will be reflected in third quarter expenditures. Consistent with prior year practice, the majority of contracts and professional services contract expenses are paid in the second half of the fiscal year due to the timing of when reporting and invoices are received.

Grants and stipends are at 51% of the budgeted amount and represent grants distributed to child care centers by the California School Aged Consortium consistent with their contract. Professional services contracts are at 19% and program operating costs are at 30% of budget; expenses are incurred at different times of the year based on various program factors. We anticipate experiencing a greater rate of budgeted spending through the end of the fiscal year. Infrastructure cost spending is closely in line with the budget for the 6 month mark and is comprised primarily of agency wide administrative expenses including insurance premium payments and office operating costs. Infrastructure costs from this budget category will be allocated to all programs at year-end to provide a more complete picture of actual program costs.

Summary

Total receipt of revenues is on the lower end at the mid-year due to the timing of monies to be received from external funding sources. Total expenses incurred are also relatively low as has always been the case in previous years. That will change as the year progresses and most expense line items are expected to trend closer to budget projections by year-end.

Fiscal Impact

None

REQUESTED ACTION

To review the Financial Report for the first six months of FY 2018-19.

Submitted by:

Reviewed by:

Christine Hom
Interim Chief of Staff

Kristin Spanos
Chief Executive Officer

First 5 Alameda County

Revenue

For the Period July 1, 2018 to December 31, 2018

Revenues	Budget	Actual	Remaining Balance/ Variance	% Received in first half this year	% Received in first half last year
Prop 10 Tobacco Tax	12,292,299	5,471,621	6,820,678	45%	39%
Interagency Income					
- ACPHD Project LAUNCH (SAMHSA) *	118,094	66,012	52,082	56%	14%
- ACPHD Data Systems Hosting & Maintenance	108,000	0	108,000	0%	0%
- ACPHD Dental Transformation Program (HTHC)	741,126	264,142	476,984	36%	3%
- ACSSA Parent Voices CALWORKS *	310,000	49,835	260,165	16%	0%
- AC Office of Educ. (QRIS Block Grant 4)	50,377	50,377	0	100%	0%
- AC Office of Educ. (QRIS Block Grant 5)	408,051	461,679	(53,628)	113%	n/a
- ACHCSA - Fathers Corp	128,000	71,500	56,500	56%	25%
- ACHCSA - Fathers Corp (Fatherhood Summit)	0	30,000	(30,000)	n/a	n/a
- ACHCSA - Healthy Food, Healthy Families	30,000	30,000	0	100%	n/a
- ACPHD HMG Linkage Line *	385,000	196,861	188,139	51%	18%
- First 5 California (IMPACT)	1,594,304	77,117	1,517,187	5%	3%
- ACBHCS (ACECPC)	15,000	0	15,000	0%	0%
Total Interagency Income	3,887,952	1,297,523	2,590,429	33%	16%
Grants					
Federal *(see above for Federally funded awards)	0	0	0	0%	0%
State - CA Dept of Education (Infant/Toddler Block Grant 2)	55,500	0	55,500	0%	0%
State - CA Dept of Education (Infant/Toddler Block Grant 3)	225,000	0	225,000	0%	0%
State - CA Dept of Education (QCC QRIS Block Grant)	0	0	0	0%	0%
Private:					
- Long Foundation	300,000	300,000	0	100%	86%
- CA Wellness Foundation/ACPHD (Fathers Corp)	20,000	0	20,000	0%	100%
- East Bay Community Foundation	3,750	0	3,750	100%	100%
- Childrens Council of SF (ECE Hub)	50,000	0	50,000	n/a	n/a
- Sunlight Giving	200,000	200,000	0	100%	100%
Other:					
- Center for the Study of Social Policy (Project DULCE)	0	0	0	0%	0%
- Center for the Study of Social Policy (RBA)	0	0	0	0%	n/a
- University of Chicago, Chapin Hall	0	3,000	(3,000)	0%	0%
- Connecticut Children's Medical Center (HMG Toxic Stress Program)	0	5,000	(5,000)	0%	0%
Total Grants	854,250	508,000	296,250	59%	92%
Fiscal Leveraging - MediCal Administrative Activities	900,000	799,654	100,346	89%	0%
Other - Investment Revenue	375,000	255,902	119,098	68%	43%
- Misc.Income	16,860	12,623	4,237	75%	216%
- Fatherhood Summit Sponsorship		39,000			
TOTAL REVENUE	18,326,361	8,384,323	9,931,038	46%	38%
Reserves					
Sustainability Funds	2,955,519	0	2,955,519	0%	0%
TOTAL REVENUES & AVAILABLE FUNDS	21,281,880	8,384,323	12,886,557	39%	31%

**First 5 Alameda County
Budget vs Actual Expenditure by Category
For the Period July 1, 2018 - Dec 31, 2018**

Expenditures	Budget	Actuals	Remaining Balance/ Variance	% Spent in first half this year	% Spent in first half last year
Personnel Costs	8,986,945	3,576,760	5,410,185	40%	41%
Contracts	10,134,012	1,749,861	8,384,151	17%	17%
Grants & Stipends	471,600	240,573	231,027	51%	7%
Professional Services Contracts	339,748	64,992	274,756	19%	12%
Program Operating Costs	502,825	150,462	352,363	30%	21%
Infrastructure Costs	846,750	356,752	489,998	42%	41%
TOTAL EXPENDITURES	21,281,880	6,139,401	15,142,479	29%	27%



To: First 5 Alameda County Commission
From: Christine Hom, Interim Chief of Staff
Date: February 21, 2019
Subject: FY 2018-19 Mid Year Investment Report, July 1, 2018 – December 31, 2018

REQUESTED ACTION

To review the FY 2018-19 Investment Report covering July 1, 2018 – December 31, 2018.

BACKGROUND OF ACTIVITIES

As required by California Government Code, the investment objectives of First 5 Alameda County are first, to provide safety of principal to ensure the preservation of capital in the overall portfolio; second, to provide sufficient liquidity to meet all requirements that may be reasonably anticipated; and third, to earn a commensurate rate of return consistent with the constraints imposed by the safety and liquidity objectives.

The performance objective of the First 5 Alameda County investment portfolio is to earn a total rate of return that exceeds the total rate of return on identified benchmarks.

First 5 Alameda County maintains the majority of its funds invested in a portfolio of high quality, very liquid, fixed-income securities, which are professionally-managed by the Commission's investment advisor, Chandler Asset Management. The remaining funds continue to be invested with the Alameda County Treasurer's pool. This report summarizes the activity and status of the investment portfolio as of December 31, 2018.

PORTFOLIO HIGHLIGHTS

The Investment Report shows the performance of funds that are invested in the with portfolio manager Chandler Asset Management. At the end of the last fiscal year (June 30th 2018), the total market value of the portfolio was \$27,193,191. The market value of the Chandler portfolio as of December 31, 2018 was \$27,648,288 at a cost of \$27,958,243.

INVESTMENT REPORT

Investment Activity

The Investment Activity shows all transactions affecting our portfolio as of December 31, 2018. Purchases of securities are conducted when a maturity occurs, or when the investment advisor sells a

security before maturity to rebalance the portfolio. Rebalancing is conducted to manage the risk profile of the portfolio, diversify portfolio maturities and sectors, protect market value, and enhance overall return.

Investment Income

Investment income is primarily derived from interest or yield payments on securities held in the investment portfolio. Typically, interest income from each security is received semi-annually. The Commission's investment advisor buys, sells and exchanges securities consistent with the First 5 Alameda County Investment Policy in order to optimize overall yields.

Total investment earnings for the period ending December 31, 2018 was \$271,200. For the same period last fiscal year, the total investment earnings for the period ending December 31, 2017 was \$210,438. Investment income for this fiscal year is higher than the prior year as a result of rising interest rates. As market rates reset higher, the Commission's portfolio was able to capture higher interest income when funds were reinvested from maturities or sales.

Market Value and Unrealized Gains and Losses

The market value of the portfolio securities changes as a result of market supply and demand, shifts in interest rates, and other factors. As a result of previously-mentioned rising interest rates in the previous fiscal year, there was an unrealized loss position of \$309,955 at the end of December 2018. This is determined by comparing the Cost and the Market Value of the portfolio on that date. This is a loss on paper only, implying that a loss would have been realized, had the portfolio been liquidated on December 31st. Since the portfolio was not liquidated, this section is for informational purposes only. Per the Governmental Accounting Standards Board (GASB), government entities are must report unrealized gains and losses on investments (GASB 31).

Investment Fees

Fees include those levied by the portfolio manager and the fees levied by the account custodian (Union Bank). The total fees paid during this period were \$16,872.

Yield Benchmarks

Investment yields are compared to the Local Agency Investment Fund (LAIF) and the Alameda County Treasury Investment Pool yields in order to benchmark investment manager performance. Chandler's average portfolio yield for the 6 month period of 1.69% for FY 2018-19 is ahead of the Alameda County Treasury Investment Pool yield of 1.62% for the year and behind the LAIF yield of 2.41%.

FISCAL IMPACT

The total realized investment earnings and interest received (net of fees) for July 1, 2018 – December 31, 2018 was \$255,902. Investment revenue for FY 2018-19 is budgeted at \$375,000.

REQUESTED ACTION

To review the FY 2018-19 mid year investment report.

Submitted by:

Reviewed by:

Christine Hom
Interim Chief of Staff

Kristin Spanos
Chief Executive Officer

**First 5 Alameda County
Investment Report - Chandler Asset Management
For the Period July 1, 2018 - December 31, 2018**

INVESTMENT INCOME:

<i>Interest Received</i>	\$ 271,200
Total Investment Earnings	\$ 271,200
<i>Less:</i>	
Investment Fees (Chandler)	(15,298)
Union Bank Custodial Fees	(1,574)
<i>Net Investment Income</i>	<u>\$ 255,902</u>

INVESTMENT ACTIVITY:

Portfolios - Cost Basis at 6/30/18	\$ 27,705,768
Purchases	\$ 5,371,486
Maturities	\$ (1,175,000)
Sales	\$ (3,387,148)
Principal Pay Downs	\$ (552,582)
Capital Gains/Losses	\$ (4,280)
Portfolios - Cost Basis at 12/31/18	\$ 27,958,243

COST VS. MARKET VALUE:

Portfolios at Market 12/31/18	\$ 27,648,288
Portfolios at Cost 12/31/18	27,958,243
<i>Unrealized Gain (Loss) at 12/31/18</i>	<u>\$ (309,955)</u>

APPROXIMATE YIELD AND BENCHMARKS (Annualized) for FY 2018-19:

Chandler Asset Management	1.69%
Local Agency Investment Fund (LAIF)	2.41%
Alameda County Treasurer's Pool	1.62%



Account Number
6736301091

Account Name
FIRST 5 ALAMEDA/CHANDLER

Account Statement

Statement Period

December 1, 2018 through December 31, 2018

Asset Detail - Principal Portfolio

Cash & Cash Equivalents

Asset Name	Asset Identifier	Shares/ Units Held	Cost Basis	Market Value	Price/ Data Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
Money Market Funds								
FEDERATED GOVERNMENT OBLIG FD I MMKT *** CASH MANAGEMENT SWEEP *** 60934N104	60934N10S	18,207.2600	16,207.26	18,207.26	1.0000 12/31/2018	0.07%	2.42%	439.91
Total Cash & Cash Equivalents			\$16,207.26	\$18,207.26		0.07%	2.42%	\$439.91

Government Obligations

Asset Name	Asset Identifier	Shares/ Units Held	Cost Basis	Market Value	Price/ Data Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
US Treasury								
UNITED STATES TREAS NTS 1.2500% 2/29/2020	912828UQ1	625,000.0000	617,589.98	615,381.25	98.4610 12/31/2018	2.23%	1.27%	7,812.50
UNITED STATES TREAS NTS 1.3750% 3/31/2020	912828J84	600,000.0000	600,587.95	591,186.00	98.5310 12/31/2018	2.14%	1.40%	8,250.00
UNITED STATES TREAS NTS 1.3750% 5/31/2020	912828VF4	620,000.0000	616,131.76	609,999.40	98.3870 12/31/2018	2.21%	1.40%	8,525.00
UNITED STATES TREAS NTS 1.6250% 7/31/2020	912828XM7	600,000.0000	606,798.89	591,492.00	98.5820 12/31/2018	2.14%	1.65%	9,750.00
UNITED STATES TREAS NTS 1.3750% 8/31/2020	912828L32	600,000.0000	600,189.51	588,678.00	98.1130 12/31/2018	2.13%	1.40%	8,250.00
UNITED STATES TREAS NTS 1.3750% 10/31/2020	912828L99	500,000.0000	492,450.90	489,845.00	97.9690 12/31/2018	1.77%	1.40%	6,875.00
UNITED STATES TREAS NTS 1.3750% 1/31/2021	912828N89	155,000.0000	151,912.63	151,445.85	97.7070 12/31/2018	0.55%	1.41%	2,131.25





Account Number
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Account Name
FIRST 5 ALAMEDA/CHANDLER

Account Statement

Statement Period

December 1, 2018 through December 31, 2018

Asset Detail - Principal Portfolio (continued)

Government Obligations

Asset Name	Asset Identifier	Shares/ Units Held	Cost Basis	Market Value	Price/ Data Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
US Treasury								
UNITED STATES TREAS NTS 2.0000% 2/28/2021	912828B90	600,000.0000	616,853.57	593,766.00	98.9610 12/31/2018	2.15%	2.02%	12,000.00
UNITED STATES TREAS NTS 1.2500% 3/31/2021	912828Q37	555,000.0000	542,145.81	540,259.20	97.3440 12/31/2018	1.95%	1.28%	6,937.50
UNITED STATES TREAS NTS 1.1250% 9/30/2021	912828T34	555,000.0000	545,614.56	535,291.95	96.4490 12/31/2018	1.94%	1.17%	6,243.75
UNITED STATES TREAS NTS 1.7500% 2/28/2022	912828J43	580,000.0000	569,512.10	567,356.00	97.8200 12/31/2018	2.05%	1.79%	10,150.00
UNITED STATES TREAS NTS 2.1250% 6/30/2022	912828XG0	450,000.0000	456,382.37	444,658.50	98.8130 12/31/2018	1.61%	2.15%	9,562.50
UNITED STATES TREAS NTS 1.8750% 8/31/2022	912828L24	250,000.0000	250,108.26	244,647.50	97.8590 12/31/2018	0.88%	1.92%	4,687.50
UNITED STATES TREAS NTS 1.7500% 9/30/2022	912828L57	540,000.0000	534,009.38	525,738.60	97.3590 12/31/2018	1.90%	1.80%	9,450.00
UNITED STATES TREAS NTS 2.1250% 12/31/2022	912828N30	450,000.0000	443,003.91	443,655.00	98.5900 12/31/2018	1.60%	2.16%	9,562.50
Federal Govt Agency								
FEDERAL HOME LOAN MTG CORP NOTES DTD 04/04/2013 1.375% 05/01/2020	3137EADR7	625,000.0000	624,150.00	615,350.00	98.4560 12/31/2018	2.23%	1.40%	8,593.75
FEDL NATL MTG ASSN BONDS DTD 04/27/2015 1.50% 06/22/2020	3135G0D75	620,000.0000	620,334.80	610,929.40	98.5370 12/31/2018	2.21%	1.52%	9,300.00



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Account Name
FIRST 5 ALAMEDA/CHANDLER

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Statement Period

December 1, 2018 through December 31, 2018

Asset Detail - Principal Portfolio (continued)

Government Obligations

Asset Name
Federal Govt Agency

Asset Identifier	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
3137EAEK1 FEDERAL HOME LOAN MORTGAGE CORP 1.875% 11/17/2020	275,000.0000	274,287.43	271,576.25	98.7550 12/31/2018	0.98%	1.90%	5,156.25
3135G0F73 FEDERAL NATL MTG ASSN 1.5000% 11/30/2020	625,000.0000	614,175.00	612,612.50	98.0180 12/31/2018	2.22%	1.53%	9,375.00
3130A7CV5 FEDERAL HOME LOAN BANKS 1.375% 02/18/2021	525,000.0000	522,879.00	512,799.00	97.6760 12/31/2018	1.85%	1.41%	7,218.75
3135G0J20 FEDERAL NATL MTG ASSN 1.3750% 2/26/2021	620,000.0000	617,378.04	604,890.60	97.5630 12/31/2018	2.19%	1.41%	8,525.00
3135G0K69 FEDERAL NATL MTGE ASSN NOTES 1.250% 05/06/2021	300,000.0000	301,020.00	291,309.00	97.1030 12/31/2018	1.05%	1.29%	3,750.00
3135G0U85 FEDERAL NATIONAL MTG ASSN 2.75% 6/22/2021	425,000.0000	425,629.00	427,384.25	100.5610 12/31/2018	1.55%	2.73%	11,687.50
3130A8Q5S FEDERAL HOME LOAN BANKS 1.125% 07/14/2021	330,000.0000	326,950.80	318,700.80	96.5760 12/31/2018	1.15%	1.16%	3,712.50
3137EAEC9 FEDL HOME LOAN MTG CORP NOTES DTD 08/12/2016 1.125% 08/12/2021	550,000.0000	545,952.00	531,195.50	96.5810 12/31/2018	1.92%	1.16%	6,187.50
3135G0N82 FEDL NATL MTG ASSN NOTES DTD 08/19/2016 1.25% 08/17/2021	225,000.0000	223,783.43	217,885.50	96.8380 12/31/2018	0.79%	1.29%	2,812.50
3135G0O89 FEDL NATL MTG ASSN NOTES DTD 10/07/2016 1.375% 10/07/2021	200,000.0000	198,782.00	193,988.00	96.9940 12/31/2018	0.70%	1.42%	2,750.00
3130AF5B9 FEDERAL HOME LOAN BANK CONS BD 3.000% 10/12/2021	250,000.0000	250,630.00	253,190.00	101.2760 12/31/2018	0.92%	2.96%	7,500.00





Account Number
6736301091

Account Name
FIRST 5 ALAMEDA/CHANDLER

Account Statement

Statement Period

December 1, 2018 through December 31, 2018

Asset Detail - Principal Portfolio (continued)

Government Obligations

Asset Name	Asset Identifier	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
Federal Govt Agency								
FEDERAL NATL MTGE ASSN NOTES 2.000% 01/05/2022	3135G0S38	600,000.0000	602,190.00	591,120.00	98.5200 12/31/2018	2.14%	2.03%	12,000.00
FEDERAL NATL MTG ASSN 1.8750% 4/5/2022	3135G0T45	560,000.0000	559,915.44	548,732.80	97.9980 12/31/2018	1.98%	1.91%	10,500.00
FEDL NATL MTG ASSN NOTES DTD 10/06/2017 2.00% 10/05/2022	3135G0T78	500,000.0000	499,000.00	490,550.00	98.1100 12/31/2018	1.77%	2.04%	10,000.00
FEDERAL NATL MTGE ASSN NOTES 2.375% 01/19/2023	3135G0T94	425,000.0000	418,473.00	421,821.00	99.2520 12/31/2018	1.53%	2.39%	10,093.75
FEDERAL HOME LN MTG CORP FR 2.75% 6/19/2023	3137EAEN5	350,000.0000	348,243.00	352,044.00	100.5840 12/31/2018	1.27%	2.73%	9,625.00
FEDERAL HOME LOAN BANKS 3.3750% 9/8/2023	313383YJ4	100,000.0000	101,313.00	103,002.00	103.0020 12/31/2018	0.37%	3.28%	3,375.00
FEDERAL NATL MTG ASSN 2.87500% 9/12/2023	3135G0U43	540,000.0000	537,786.00	546,355.80	101.1770 12/31/2018	1.98%	2.84%	15,525.00
FEDERAL HOME LOAN BANKS 3.3750% 12/8/2023	3130A0F70	140,000.0000	143,886.40	144,277.00	103.0550 12/31/2018	0.52%	3.27%	4,725.00
Total Government Obligations			\$16,400,049.92	\$16,193,113.65		58.57%	1.75%	\$282,600.00



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Account Name
FIRST 5 ALAMEDA/CHANDLER

Account Statement

Statement Period

December 1, 2018 through December 31, 2018

Asset Detail - Principal Portfolio (continued)

Corporate Obligations

Asset Name	Asset Identifier	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
GENERAL ELEC CAP CORP 2.300 01/14/2019	36962G7G3	400,000.0000	406,260.00	399,844.00	99.9610 12/31/2018	1.45%	2.30%	9,200.00
CISCO SYS INC SR NT 2.1250% 03/01/2019	17275RAR3	105,000.0000	105,328.80	104,851.95	99.8590 12/31/2018	0.38%	2.13%	2,231.25
US BANCORP BONDS DTD 04/24/2014 2.20% 04/25/2019	91159HHH6	335,000.0000	336,314.35	334,266.35	99.7810 12/31/2018	1.21%	2.20%	7,370.00
HSBC USA INC 2.2500% 6/23/2019	40434CAC9	200,000.0000	201,022.00	199,200.00	99.6000 12/31/2018	0.72%	2.26%	4,500.00
BERKSHIRE HATHAWAY FIN 1.300% 08/15/2019	084664CK5	185,000.0000	184,820.55	183,057.50	98.9500 12/31/2018	0.66%	1.31%	2,405.00
BANK OF NEW YORK NOTES DTD 09/11/2014 2.30% 09/11/2019	06406HCW7	320,000.0000	321,632.75	318,336.00	99.4800 12/31/2018	1.15%	2.31%	7,360.00
COSTCO WHSL CORP NEW SR NT 1.750% 02/15/2020	22160KAG0	105,000.0000	104,889.75	103,911.15	98.9630 12/31/2018	0.38%	1.77%	1,837.50
QUALCOMM INC 2.2500% 5/20/2020	747525AD5	160,000.0000	158,228.00	157,776.00	98.6100 12/31/2018	0.57%	2.28%	3,600.00
ACE INA HOLDINGS 2.30% 11/03/2020	00440EAT4	340,000.0000	341,601.40	335,138.00	98.5700 12/31/2018	1.21%	2.33%	7,820.00
MICROSOFT CORP SR NOTES DTD 11/03/2015 2.00% 11/03/2020	594918B68	160,000.0000	159,872.00	158,217.60	98.8660 12/31/2018	0.57%	2.02%	3,200.00
EXXON MOBIL CORP 2.222% 03/01/2021	30231GAV4	415,000.0000	419,645.45	409,024.00	98.5600 12/31/2018	1.48%	2.25%	9,221.30





Account Number
6736301091

Account Name
FIRST 5 ALAMEDA/CHANDLER

Account Statement

Statement Period

December 1, 2018 through December 31, 2018

Asset Detail - Principal Portfolio (continued)

Corporate Obligations

Asset Name	Asset Identifier	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
Corporate Bonds								
JOHN DEERE CAPITAL CORP MTN 2.800% 03/04/2021	24422ESL4	182,000.0000	186,428.06	180,957.14	99.4270 12/31/2018	0.65%	2.82%	5,096.00
GENERAL DYNAMICS DTD 05/11/2018 3.0% 05/11/2021	369550BE7	345,000.0000	342,578.25	345,279.45	100.0810 12/31/2018	1.25%	3.00%	10,350.00
STATE STREET CORP 1.950% 05/19/2021	857477AV5	215,000.0000	214,888.20	208,962.80	97.1920 12/31/2018	0.76%	2.01%	4,192.50
MICROSOFT CORP 1.550% 08/08/2021	594918BP8	285,000.0000	284,662.35	276,868.95	97.1470 12/31/2018	1.00%	1.60%	4,417.50
ORACLE CORP SR NT 1.900% 09/15/2021	68389XBK0	350,000.0000	342,163.50	339,573.50	97.0210 12/31/2018	1.23%	1.96%	6,650.00
TOYOTA MOTOR CREDIT CORP 2.6000% 1/11/2022	892367DP7	350,000.0000	344,477.20	344,428.00	98.4080 12/31/2018	1.25%	2.64%	9,100.00
US BANCORP DTD 01/24/2017 2.625% 01/24/2022	91159HHP8	165,000.0000	164,716.20	162,493.65	98.4810 12/31/2018	0.59%	2.67%	4,331.25
OCCIDENTAL PETE CORP DEL 2.6000% 4/15/2022	674599CK9	330,000.0000	322,126.20	321,875.40	97.5380 12/31/2018	1.16%	2.67%	8,580.00
ELI LILLY & CO DTD 05/09/2017 2.35% 05/15/2022	532457B00	350,000.0000	353,052.00	343,731.50	98.2090 12/31/2018	1.24%	2.39%	8,225.00
PNC BK NA PITTSBURG PA FR 2.450% 07/28/2022	69353RFE3	380,000.0000	379,965.80	368,045.20	96.8540 12/31/2018	1.33%	2.53%	9,310.00
IBM CR CORP MTN BE 2.2000% 9/8/2022	44932HAC7	340,000.0000	334,247.20	323,945.20	95.2780 12/31/2018	1.17%	2.31%	7,480.00



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Account Name
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December 1, 2018 through December 31, 2018

Asset Detail - Principal Portfolio (continued)

Corporate Obligations

Asset Name	Asset Identifier	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
Corporate Bonds								
JPMORGAN CHASE 2.9720% 1/15/2023	481286AB7	295,000.0000	292,153.25	287,619.10	97.4980 12/31/2018	1.04%	3.05%	8,767.40
DEERE JOHN CAP CORP MTNS BE 2.8000% 3/6/2023	24422ETG4	150,000.0000	145,521.00	146,658.00	97.7720 12/31/2018	0.53%	2.86%	4,200.00
BERKSHIRE HATHAWAY INC DTT 03/15/2016 2.75% 03/15/2023	084670BR8	250,000.0000	242,522.50	245,420.00	98.1680 12/31/2018	0.89%	2.80%	6,875.00
APPLE INC NT 2.400% 05/03/2023	037833AK6	255,000.0000	243,216.45	246,567.15	96.6930 12/31/2018	0.89%	2.48%	6,120.00
AMERICAN HONDA FINANCE CORPORATE 3.45% 7/14/2023	02665WCJ8	110,000.0000	109,809.70	110,031.90	100.0290 12/31/2018	0.40%	3.45%	3,795.00
PACCAR FINL CORP SR MNTS BK 3.4% 8/9/2023	69371RP59	270,000.0000	269,889.30	272,016.90	100.7470 12/31/2018	0.96%	3.37%	9,180.00
AMERICAN HONDA FIN CORP MTN FR 3.62500% 10/10/2023	02665WC02	260,000.0000	259,786.80	261,843.40	100.7090 12/31/2018	0.95%	3.60%	9,425.00
Collateralized Passthroughs								
NISSAN AUTO RECV 2017-A A-2A 1.4700% 1/15/2020 ORIGINAL FACE VALUE \$115,000.00	654747AB0	6,577.6800	6,577.65	6,574.65	99.9540 12/31/2018	0.02%	1.47%	96.69
HONDA AUTO RECV 2016-2 A-3 1.3900% 4/15/2020 ORIGINAL FACE VALUE \$170,000.00	43814DJAC2	42,389.5400	42,388.71	42,221.68	99.6040 12/31/2018	0.15%	1.40%	589.21





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December 1, 2018 through December 31, 2018

Asset Detail - Principal Portfolio (continued)

Corporate Obligations

Asset Name	Asset Identifier	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
Collateralized Passthroughs								
JOHN DEERE OWNER TR 2016 A-3 1.3600% 4/15/2020 ORIGINAL FACE VALUE \$235,000.00	47788MAC4	42,844.1900	42,837.45	42,743.93	99.7660 12/31/2018	0.15%	1.36%	582.68
JOHN DEERE OWNER TR 2017-B A-2A 1.5900% 4/15/2020 ORIGINAL FACE VALUE \$80,000.00	47788BAB0	21,897.8000	21,895.30	21,855.98	99.8090 12/31/2018	0.09%	1.59%	348.18
TOYOTA AUTO RECV OWN TR 2016 A-3 1.3000% 4/15/2020 ORIGINAL FACE VALUE \$315,000.00	89231UAD9	81,565.6800	81,561.51	81,125.23	99.4600 12/31/2018	0.29%	1.31%	1,060.35
TOYOTA AUTO RECV OWN TR 2017 A-2A 1.5800% 7/15/2020 ORIGINAL FACE VALUE \$295,000.00	89237RAB4	125,845.5000	125,844.29	125,339.60	99.5980 12/31/2018	0.45%	1.59%	1,988.36
TOYOTA AUTO RECV OWN TR 2018 A-2A 2.1000% 10/15/2020 ORIGINAL FACE VALUE \$340,000.00	89238BAB8	261,312.7700	261,286.06	260,293.65	99.6100 12/31/2018	0.94%	2.11%	5,487.57
CHASE ISSUANCE TRUST 2016-5A A 1.2700% 7/15/2021 ORIGINAL FACE VALUE \$125,000.00	16151HF4	125,000.0000	123,540.04	123,903.75	99.1230 12/31/2018	0.45%	1.28%	1,587.50
HONDA AUTO RECV 2017-2 A-3 1.6800% 8/16/2021 ORIGINAL FACE VALUE \$160,000.00	43811EAC8	160,000.0000	157,512.50	156,345.60	98.9660 12/31/2018	0.57%	1.70%	2,688.00



Account Number
6736301091

Account Name
FIRST 5 ALAMEDA/CHANDLER

Account Statement

Statement Period

December 1, 2018 through December 31, 2018

Asset Detail - Principal Portfolio (continued)

Corporate Obligations

Asset Name

Asset Name	Asset Identifier	Shares/ Units Held	Cost Basis	Market Value	Price/ Data Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
Collateralized Passthroughs								
JOHN DEERE OWNER TR 2017-B A-3 1.8200% 10/15/2021 ORIGINAL FACE VALUE \$93,000.00	47788BAD6	93,000.0000	92,265.66	91,949.10	98.8700 12/31/2018	0.33%	1.84%	1,692.60
JOHN DEERE OWNER TR 2018 A-3 2.6600% 4/18/2022 ORIGINAL FACE VALUE \$90,000.00	47788CAC6	90,000.0000	89,993.53	89,708.40	99.6760 12/31/2018	0.32%	2.67%	2,394.00
HONDA AUTO RECV DWN TR 2018-A-3 2.9500% 8/22/2022 ORIGINAL FACE VALUE \$235,000.00	43815HAC1	235,000.0000	234,967.76	235,148.05	100.0630 12/31/2018	0.85%	2.95%	6,932.50
AMERICAN EXPRESS CR TR 2017-A 1.9300% 9/15/2022 ORIGINAL FACE VALUE \$279,000.00	02567AAJ3	279,000.0000	274,662.42	275,699.43	98.8170 12/31/2018	1.00%	1.95%	5,394.70
JOHN DEERE OWNER TR 2018-B A-3 3.0800% 11/15/2022 ORIGINAL FACE VALUE \$275,000.00	47788EAC2	275,000.0000	274,979.16	276,342.00	100.4880 12/31/2018	1.02%	3.07%	8,470.00

Total Corporate Obligations \$9,402,131.65 \$9,321,190.84 33.71% 2.40% \$224,142.04





Account Number
6736301091

Account Name
FIRST 5 ALAMEDA/CHANDLER

Account Statement

Statement Period

December 1, 2018 through December 31, 2018

Asset Detail - Principal Portfolio (continued)

Non-US Securities

Asset Name	Asset Identifier	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
Supranational Obligations								
INTER AMERN DEV BK GLOBAL MT 1.6250% 5/12/2020	4581X0CX4	455,000.0000	453,921.65	449,166.90	98.7180 12/31/2018	1.62%	1.65%	7,393.75
INTERNATIONAL FIN CORP 2.2500% 1/25/2021	45950KCM0	545,000.0000	541,364.20	541,424.80	99.3440 12/31/2018	1.96%	2.26%	12,262.50
INTER AMERN DEV BK GLOBAL MT 2.1250% 1/18/2022	4581X0CW6	545,000.0000	544,329.65	537,162.90	98.5620 12/31/2018	1.94%	2.16%	11,581.25
INTER AMERN DEV BK GLOBAL MT 1.7500% 9/14/2022	4581X0CZ9	250,000.0000	246,912.50	242,032.50	96.8130 12/31/2018	0.88%	1.81%	4,375.00
Non - US Corporate Bonds								
ROYAL BK CDA 2.5000% 1/19/2021	78012KKU0	350,000.0000	351,326.50	345,989.00	98.8540 12/31/2018	1.25%	2.53%	8,750.00
Total Non-US Securities			\$2,137,854.50	\$2,115,776.10		7.65%	2.10%	\$44,362.50
Total Principal Portfolio			\$27,958,243.33	\$27,648,287.85		100.00%	1.99%	\$551,544.45
Total Account Values			\$27,958,243.33	\$27,648,287.85		100.00%	1.99%	\$551,544.45



To: First 5 Alameda County Commission

From: Christine Hom, Interim Chief of Staff
Maria Canteros, Interim Finance Administrator

Date: February 21, 2019

Subject: FY 2018-19 Budget Modification Recommendation

ACTION REQUESTED

To review the following Budget Modification Recommendation.

BACKGROUND

The operating budget for FY 2018-19 was adopted by the Commission in June 2018. As in prior years, First 5 Alameda County staff submit mid-year proposals to modify the adopted budget to address material changes in revenue, seek approval for unanticipated expenses that may have occurred and make necessary transfers and adjustments to reflect changes to program goals since the adoption of the original budget.

REVENUE AND AVAILABLE FUNDS

The FY 2018-19 Adopted Budget projects revenue and available funding totaling \$21,281,880. The proposed budget modification changes this amount to \$21,982,176 a net increase of \$700,296.

The primary changes in revenue for this fiscal year are the addition of several new funding sources, projected increase in Proposition 10 revenue, and unanticipated Medical Administrative Activities (MAA) backcasting revenue.

Tobacco Tax receipts of \$5,471,621 (of \$12,292,299 budgeted) was received for the first six months of the fiscal year (Prop 10 tobacco tax of \$4,281,406 and FY 2017-18 Prop 56 tobacco tax of \$1,190,215). The proposed modification reflects updated revenue projections per First 5 California at \$11,666,000, plus actual receipt of \$1,190,215 for FY2017-18 Prop 56, totaling \$12,856,215, a \$563,916 increase in tax revenue.

State Prop 10 revenue projections decreased by 1% and backfill projections decreased by an annual average of 20%. Revenue projections provided by the California Department of Tax and Fee Administration (CDTFA), which uses a formula to determine the backfill amount, indicates that the variance between the projections and actual revenue was a result of both direct and indirect factors:

- Direct factors include cigarette manufacturers increasing cigarette prices by approximately 14%, as well as an unexpected decrease in cigarette packs distributed.
- Indirect factor cited was the likely increase in cigarette tax evasion.

In addition, the increase in smoking age to 21 that took effect in 2016 is presumed to affect the overall decline in consumption.

EXPENDITURES

The FY 2018-19 adopted budget projects expenses totaling \$21,281,880. The proposed budget modification changes this amount to \$21,982,176 a net increase of \$700,296. Please refer to the following summary of major changes and the attached worksheet detailing proposed revised revenue.

As a collective result of these changes, it is anticipated that less Sustainability Funds will be needed to achieve a balanced budget at year end.

NEW REVENUE RECEIVED/BUDGETED SINCE ADOPTION OF ORIGINAL BUDGET:

NOTES	FUNDER	STRATEGY/ PROJECT	AMOUNT (\$)	DESCRIPTION/PURPOSE
1	Propositions 10 and 56 Tobacco Tax Revenue	N/A	\$563,916	Received Prop 56 backfill in the amount of \$1,190,215. CDTFA projects backfill revenue to be lower than originally anticipated due to various factors (see explanation on page 1).
2	First 5 California	Quality Early Childhood Education – IMPACT	(\$198,115)	Funding to support QRIS work, including rating and quality improvement in child care and informal care settings. This is the fourth year of a 5 year grant; amount modified to project FY18-19 expenses. Unspent funds from FY18-19 will be rolled over to FY 19-20.
3	Children’s Council of San Francisco (First 5 San Francisco/Hub)	Quality Early Childhood Education – IMPACT Region 4 Training & Technical Assistance Hub Grant	\$65,778	Funding to support local capacity for Quality Counts California implementation, including training/professional development, data system costs, and certifications (CLASS, PITC, DRDP, CSEFEL, & ERS) for this fiscal year. Amount modified to reflect actual anticipated reimbursement.
4	Alameda County Health Care Services Agency	Fatherhood – 2019 Fatherhood Summit	\$15,000	Funding to support the 2019 Fatherhood Summit. This is the 5 th year of an 8 year agreement to support the Alameda County

NOTES	FUNDER	STRATEGY/ PROJECT	AMOUNT (\$)	DESCRIPTION/PURPOSE
				Fathers Corps. Amount modified to include rollover of unspent funds from the prior year.
5	Alameda County Health Care Services Agency	Fatherhood – 2019 Fatherhood Summit	\$30,000	New funding to support the 2019 Fatherhood Summit.
6	Alameda County Office of Education	Quality Early Childhood Education – QRIS Block Grant 5	\$53,629	Adjusted projected funding from the Fifth QRIS Block Grant to reflect actual award amount. Grant supports rating, quality improvement plans and site level quality improvement support for California State Preschool Program (CSPP) sites. Grant term is July 1, 2018 – September 30, 2019.
7	Alameda County Public Health Department	Neighborhoods Ready for School – Project LAUNCH	(\$11,392)	Year 3 (final year) of funding was amended to extend the grant an additional 3 month period. Contract term is July 2016 - September 2019. Projected expenses for this fiscal year adjusted accordingly.
8	Alameda County Public Health Department	Early Identification – Linkage Line	\$20,129	Funding to support the HMG Linkage Line, funding modified to include increased personnel and operations cost and reflect actual contract amount. Contract term is July 2018 – June 2019.
9	California Department of Education	Quality Early Childhood Education – Infant/Toddler Block Grant 3	(\$225,000)	Projected funding from the third Infant/Toddler QRIS Block Grant was not awarded due to the funder transforming the grant into the Quality Counts California Grant (see below).
10	California Department of Education	Quality Early Childhood Education –	\$520,781	New funding to support local QRIS consortia to provide training, technical assistance, and resources

NOTES	FUNDER	STRATEGY/ PROJECT	AMOUNT (\$)	DESCRIPTION/PURPOSE
		Quality Counts CA (QCC) QRIS Block Grant		to help early learning and care (ELC) providers meet a higher tier of quality. Formerly the Infant/Toddler Block Grant, this grant expands beyond infant/toddlers and now includes non-CSPP sites. Grant term is July 1, 2018 – September 30, 2019.
11	Center for the Study of Social Policy	Parent Engagement/Parent Support – Project DULCE	\$100,000	Fourth year of funding to support contracts with Alameda Health System (Highland Hospital) and East Bay Community Law Center to provide mental health consultation DULCE team. Highland Hospital contract serves as pediatric medical home for the DULCE pilot. Grant term is November 1, 2018 – October 31, 2019.
12	Connecticut Children's Medical Center	Early Identification – HMG Early Care Integration	\$3,000	New funding received from Connecticut Children's Medical Center to support HMG National Early Learning Community of Practice (COP). Grant award is \$6,000 and will be disbursed in two payments; term is January 2019 – March 2020.
13	Connecticut Children's Medical Center	Early Identification – HMG Toxic Stress Program	\$5,000	New continued funding received from Connecticut Children's Medical Center to support pediatric capacity to mitigate the impact of toxic stress. Grant award is \$5,000; term is June 2018 – October 2018.
14	University of Chicago/Chapin Hall	Policy & Evaluation – Project DULCE	\$3,000	New continued funding received to support Project DULCE evaluation activities. Funding is to support personnel expenses this fiscal year.
15	National League of Cities	Policy & Evaluation – Early Learning Communities	\$11,000	Grant funding to support the Alameda County Early Learning Communities Network kick-off event in January 2018.

NOTES	FUNDER	STRATEGY/ PROJECT	AMOUNT (\$)	DESCRIPTION/PURPOSE
16	East Bay Community Foundation	Policy & Evaluation - Oakland Early Childhood Funders Network	(\$3,750)	Funding was received in FY 2017-18 for expenses to be incurred in current fiscal year.
17	Alameda County Health Care Services Agency	Administration, Information & Technology - Medical Administrative Activities	\$522,861	Revenue received for unbudgeted backcasting reimbursements for FY2010-2013.
18	Miscellaneous Revenue – Fatherhood Summit	Fatherhood – 2019 Fatherhood Summit	\$149,850	<p>Projected Fatherhood Summit donations, sponsorships and exhibitor fees to be secured</p> <p>Confirmed donors include: Kaiser: \$20,000 Heising-Simons: \$10,000 First 5 California: \$9,999 Cal Endowment: \$5,000 Alameda Alliance for Health: \$5,000</p> <p>Other Government: Port of Oakland : \$5,000 City of Oakland Community Assistance Program: \$5,000</p>

FISCAL IMPACT

The fiscal impact of the budget modification is a net increase of \$700,296 in revenues and expenses, funded by grants and reimbursements, bringing the total budget to \$21,982,176.

RECOMMENDATION

To approve the Budget Modification Recommendation.

Submitted by:

Reviewed by:

Christine Hom
Interim Chief of Staff

Kristin Spanos
Chief Executive Officer

Maria Canteros
Interim Finance Administrator

First 5 Alameda County
Proposed Midyear Budget Modification- Revenue
Fiscal Year July 1, 2018 - June 30, 2019

Revenues	Adopted Budget FY2018-19	Proposed Modified Budget FY2018-19	Change Increase/ (Decrease)	Notes
Proposition 10 Tobacco Tax Revenue	12,292,299	12,856,215	563,916	1
Other First 5 Income			-	
First 5 California (IMPACT)	1,594,304	1,396,189	(198,115)	2
Childrens Council of San Francisco (First 5 San Francisco/Hub)	50,000	115,778	65,778	3
Total Other First 5 Income	1,644,304	1,511,967	(132,337)	
Interagency Income			-	
Alameda County Health Care Services Agency (Fathers Corp)	128,000	143,000	15,000	4
Alameda County Health Care Services Agency (Fatherhood Summit)	-	30,000	30,000	5
Alameda County Health Care Services Agency (Healthy Food, Healthy Families)	30,000	30,000	-	
Alameda County Office of Education (QRIS 4)	50,377	50,377	-	
Alameda County Office of Education (QRIS 5)	408,051	461,680	53,629	6
Alameda County Behavioral Health Care Services Agency (ACECPC)	15,000	15,000	-	
Alameda County Public Health Dept. (shared Technology costs)	108,000	108,000	-	
Alameda County Public Health Dept/CA Wellness Foundation (Fathers Corp)	20,000	20,000	-	
Federal Pass-through Grants:			-	
Alameda County Public Health Dept. (Healthy Teeth, Healthy Communities)	741,126	741,126	-	
Alameda County Public Health Dept. (Project LAUNCH)	118,094	106,702	(11,392)	7
Alameda County Public Health Dept. (Linkage Line)	385,000	405,129	20,129	8
Alameda County Social Services Agency (CALWorks)	310,000	310,000	-	
California Dept. of Education (Infant/Toddler Block Grant 2)	55,500	55,500	-	
California Dept. of Education (Infant/Toddler Block Grant 3)	225,000	-	(225,000)	9
California Dept. of Education (QCC QRIS Block Grant)	-	520,781	520,781	10
Total Interagency Income	2,594,148	2,997,295	403,147	
Grants			-	
Thomas J. Long Foundation	300,000	300,000	-	
Sunlight Giving	200,000	200,000	-	
Center for the Study of Social Policy (Project DULCE)	-	100,000	100,000	11
Connecticut Children's Medical Center (HMG Early Care Integration)		3,000	3,000	12
Connecticut Children's Medical Center (HMG Toxic Stress Program)		5,000	5,000	13
University of Chicago/Chapin Hall (Project DULCE Evaluation)	-	3,000	3,000	14
National League of Cities	-	11,000	11,000	15
East Bay Community Foundation (Oakland Early Childhood Funders Network)	3,750	-	(3,750)	16
Total Grants	503,750	622,000	118,250	
			-	
Fiscal Leveraging - MediCal Administrative Activities	900,000	1,422,861	522,861	17
Other Income				
Investment Revenue	375,000	375,000	-	
Miscellaneous Revenue - Fatherhood Summit	-	149,850	149,850	18
Miscellaneous Revenue - Other	16,860	16,860	-	
TOTAL REVENUE	18,326,361	19,952,048	1,625,687	
RESERVES			-	
Proposition 10 - Sustainability Funds	2,407,701	1,843,785	(563,916)	19
Interagency and Grants Revenues - received in prior years (for planned activities in FY 2018-19)	547,818	186,343	(361,475)	20
			-	
TOTAL REVENUES & AVAILABLE FUNDS	21,281,880	21,982,176	700,296	
		(0)		

