



FIRST 5 ALAMEDA COUNTY COMMISSION MEETING AGENDA

Thursday, April 20, 2017

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: Renee Herzfeld, Wilma Chan, Lori Cox, Cecilia Echeverría, Tomás A. Magaña M.D., Scott Coffin, Kimi Watkins-Tartt

Alternates: Michelle Love, Karina Rivera

1. **Public Comment (for items not listed on the agenda) - Limited to 3 minutes per speaker**
2. **Approval of Minutes from February 23, 2017**
3. **Staff Announcements**

INFRASTRUCTURE

4. **Ethics Training**
5. **F5AC Financial Policies Revisions**
6. **First Reading of FY 2017-18 Budget**
7. **First Reading of FY 2017-27 Long Range Financial Plan**
8. **Contract Authorizations**

PROGRAM

9. **Project DULCE**
10. **Immigration Resolution**
11. **State Commission and Association Updates**
12. **Legislation and Public Policy Updates**

MISCELLANEOUS

13. **Communication from Commissioners**
14. **CLOSED SESSION**
15. **Adjournment**

Commission Meeting Agenda

April 20, 2017

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.



FIRST 5 ALAMEDA COUNTY COMMISSION MEETING MINUTES

Thursday, February 23, 2017

**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: Renee Herzfeld, Tomás A. Magaña M.D., Scott Coffin

Alternates: Michelle Love, Karina Rivera

Absent: Wilma Chan, Lori Cox, Cecilia Echeverría, Kimi Watkins-Tartt

Chair Pamela Simms-Mackey called the meeting to order at 9:07 AM

1. Public Comment

There were no public comments.

Chair Pamela Simms-Mackey announced that the agenda has been reordered due to time constraints of outside presenters, agenda items 9 and 10 have been moved forward on the agenda.

PROGRAM

2. Alameda County Child Care Workforce Study (Formerly Agenda Item 9)

Malia Ramler, Senior Administrator Provider Capacity Building introduced Dr. Lea Austin from the University of California Berkeley, Center for Study of Child Care Employment to present the Status of the Alameda County Early Childhood Workforce.

Dr. Austin thanked the Commission for the opportunity to present. She discussed the presentation slides with data on the racial diversity and ethnicity of teachers, assistant teachers, and teacher directors working in ECE sites compared to children served. The last workforce study completed in Alameda County was in 2006. Dr. Austin discussed diversity of the workforce adding that the group was predominantly women of color. This ran true across the state and country with the local teaching workforce being much more diverse. Dr. Austin stated it is important about that the workforce has made progress over the last decade and has high levels of educational attainment within the county, however, wages are low and have been stagnant over the last ten years.

Dr. Austin noted the participants in the study were all from programs that participated in Quality Counts in the spring of 2016. Almost all of the programs represented in this report were contracted with the California Department of Education or Head Start with 79% of participants being women of color.

Janis Burger, Chief Executive Officer, inquired about the data on the health coverage of the teachers. Dr. Austin stated the researchers have found that a third of the assistant teachers do not have access to employer sponsored health insurance.

Ms. Ramler thanked Dr. Austin and the staff for their work and involvement on the workforce study.

3. Update on Universal Preschool Effort (Formerly Agenda Item 10)

Ms. Ramler introduced Angie Garling from the Alameda County Early Care and Education program to present on expanding quality preschool in Oakland.

Ms. Garling reported that according to the most recent data on Kindergarten readiness, 43% of Oakland children enter kindergarten ready for school, 32% are partially ready and 25% are not ready. Recent research in Oakland indicates that 37% of children fall into the bottom 10th percentile for productive vocabulary, with a higher percentage of preschool children (43%) as compared to younger children in the bottom tenth percentile. Ms. Garling reported that four of the most powerful predictors associated with stronger vocabulary development are: amount of time spent in early care and education, number of books in the home, center based child care and parents' belief that children's learning begins early. Ms. Garling stated the proposed goal of expanding quality preschool is to double the percentage of children ready for kindergarten by 2030. Ms. Garling stated that work is underway to utilize existing collaboratives such as Oakland Starting Smart and Strong to guide planning work. Planning work includes determining policy parameters, cost estimates, and identifying strategies to fund this effort. She also noted in order to maximize participation in preschool; an outreach strategy will need to be developed that reflects current demand and awareness as well as how families in each community receive information. The process for applying and enrollment children across all pre-k settings needs to be as straightforward as possible.

Chair Simms-Mackey inquired about the Oakland Starting Smart and Strong table in relation to the preschool expansion effort. Ms. Garling stated the collaborative table includes a group of leaders from all areas of the birth to 5 communities.

Commissioner Magaña inquired about the incentives for educators in the New York program that the Oakland group has referenced in their research. Ms. Garling stated the New York model supports all pre-K programs with differentiated support at both the classroom and program level focused on implementing research based instructional and family engagement practices, including: free and targeted professional learning for leaders, lead teachers, assistant teachers, and paraprofessionals; on-site support for leaders and teachers, and guidance from the Instructional Coordinators and Social Workers.

Chair Simms-Mackey thanked Ms. Garling for her presentation.

4. Approval of Minutes from November 14, 2016 and December 8, 2016 (Formerly Agenda Item 2)

Chair Simms-Mackey noted a correction to the minutes. The December 8th Commission agenda incorrectly stated the minutes to be approved were from October 20, 2016. Minutes included in the packet and posted publicly were from November 14th. Chair Simms-Mackey asked the Commission to approve November 14th and December 8th minutes.

Commission Action: The Commission approved the November 14, 2016 and December 8, 2016 minutes upon motion by Commissioner Magaña, seconded by Commissioner Coffin and unanimously carried with no abstentions (6 in favor, 0 opposed, 0 abstentions).

5. Staff Announcements (Formerly Agenda Item 3)

Ms. Burger shared that F5AC has committed to making a \$4,000 contribution to the Alameda County Community Food Bank.

Ms. Burger reminded the Commission that the upcoming F5AC Gala Dinner Event will be held on April 27th at the Claremont Hotel in Berkeley. The Gala support will benefit the Alameda County Diaper Bank and the Alameda County Fatherhood Corps.

Ms. Burger stated the Viking Global Foundation is interested in expanding in Alameda County. F5AC is looking to explore more fund development opportunities.

Ms. Burger reported that she recently presented at the Alameda County Mayors' Conference. She discussed the School Readiness Assessment as well as the roles that cities can play in the Early Childhood Education work. The Mayor of Hayward expressed interest in a possible collaboration with the agency. Agency staff have reached out to her office and provided her with Talk Read Sing materials.

6. 2017 Election of Officers (Formerly Agenda Item 4)

Chair Simms-Mackey asked for nominations for the Chair and Vice Chair positions for calendar year 2017.

Commission Action: Commissioner Magaña nominated Dr. Pamela Simms-Mackey as Chair and Renee Herzfeld as Vice Chair upon motion, seconded by Commission Alternate Rivera and unanimously carried (6 in favor, 0 opposed).

Chair Simms-Mackey shared that staff met with members of the Executive Committee meeting on February 17th to review and discuss the infrastructure items. Due to lack of a quorum, the items will be briefly reviewed with the Commission.

INFRASTRUCTURE

7. FY 2016-17 Mid Year Financial Report (Formerly Agenda Item 5)

Christine Hom, Finance Director, provided a brief review of the FY 2016-17 Mid Year Financial Report. Ms. Hom stated it is reasonable to expect that total revenues and total expenses will be at or near 50% of budget projections, subject to timing lags. The total receipts of revenues are on the lower end at the mid-year due to the timing of monies to be received from external funding sources. Ms. Hom stated the total expenses incurred are also relatively low as has always been the case in previous years.

8. FY 2016-17 Mid Year Investment Report (Formerly Agenda Item 6)

Ms. Hom provided a brief review of the Mid Year Investment Report. Ms. Hom stated the report presented shows the performance of funds that are invested in the Alameda County Treasury pool and with portfolio manager Chandler Asset Management. In August 2016, F5AC liquidated \$4,000,000 of holdings and transferred the funds to the agency's operating account to address cash flow lags. The market value of the combined portfolios as of December 31, 2016 is \$27,057,819 at a cost of \$27,194,698. Ms. Home stated the performance objective of the portfolio is to earn a total rate of return that exceeds the total rate of return on identified benchmarks.

9. FY 2016-17 Mid Year Budget Modifications Proposal (Formerly Agenda Item 7)

Ms. Hom provided a brief overview of the FY 2016-17 Mid Year Budget Modifications. Ms. Hom stated the 2016-17 Adopted Budget projects revenue and available funding total \$21,450,000. The proposed budget modification changes this amount to \$21,725,406, a net increase of \$275,406. Ms. Hom stated the primary changes in revenue for this fiscal year are the addition of several new funding sources. 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.

Commissioner Coffin commented on the budget modification for next generation enhancements and upgrades to the agency data systems. He stated the agency could pull resources together to reduce costs possibly with a data exchange with partners such the Alameda Alliance for Health. Ms. Spanos commented that the agency would like to connect with the Alliance to further discuss data exchange options.

Commission Action: The Commission FY 2016-17 Mid-Year Budget Modification Recommendation upon motion by Vice Chair Herzfeld, seconded by Commissioner Magaña, and unanimously carried (6 in favor, 0 opposed, 0 abstentions).

10. Contract Authorizations (Formerly Agenda Item 8)

Ms. Hom provided a brief overview of each of the following contract authorizations:

- Alameda Health System (Highland Hospital) - \$105,135
- Applied Survey Research - \$9,900
- Applied Survey Research - \$21,300
- BANANAS - \$20,000
- East Bay Community Law Center - \$24,000
- First 5 Association - \$15,000
- Jewish Family and Community Services East Bay - \$15,000
- Melia Franklin - \$10,000
- Merritt College - \$34,450
- Protiviti - \$129,000
- Public Consulting Group - \$39,400

Chair Simms-Mackey, facilitated the votes for the following contracts:

- Applied Survey Research (evaluation of the programs serving developmentally vulnerable children)
- Applied Survey Research (2017 School Readiness Assessment in Alameda County)

- First 5 Association
- Jewish Family and Community Services East Bay
- Melia Franklin
- Merritt College
- Protiviti
 - Chair Simms-Mackey stated that this is the first authorization for this vendor and asked if any Commissioners have a conflict. No conflicts were noted.

Commission Action: The Commission approved the contracts above upon motion by Commissioner Coffin, seconded by Commissioner Magaña, and unanimously carried (6 in favor, 0 opposed, 0 abstentions).

Chair Simms-Mackey, facilitated the votes for the following contract:

- Public Consulting Group

Commission Action: The Commission approved the contract above upon motion by Commissioner Magaña, seconded by Vice Chair Herzfeld and unanimously carried with Commission Alternate Love abstaining from the vote (5 in favor, 0 opposed, 1 abstention).

Vice Chair Herzfeld, facilitated the votes for the following contract:

- Alameda Health System (Highland Hospital)

Commission Action: The Commission approved the contract above upon motion by Commissioner Coffin and seconded by Commissioner Magaña, and unanimously carried with Chair Simms-Mackey and Commission Alternate Love abstaining from the vote (4 in favor, 0 opposed, 2 abstentions).

Vice Chair Herzfeld, facilitated the votes for the following contract:

- East Bay Community Law Center

Commission Action: The Commission approved the contract above upon motion by Commissioner Coffin and seconded by Commission Alternate Love, and unanimously carried with Chair Simms-Mackey abstaining from the vote (5 in favor, 0 opposed, 1 abstention).

Commissioner Magaña facilitated the following vote for the following contract:

- BANANAS

Commission Action: The Commission approved the contract above upon motion by Commission Alternate Rivera and seconded by Commissioner Coffin, and unanimously carried with Chair Simms-Mackey, Vice Chair Herzfeld and Commission Alternate Love abstaining from the vote (3 in favor, 0 opposed, 3 abstentions).

PROGRAM

11. FY 2017-21 Strategic Plan Update

Kristin Spanos, Chief Operating Officer provided a brief update on the FY 2017-21 Strategic Plan. The agency is moving forward with the implementation of the plan. The Agency Leadership Team (ALT) is

currently working on developing and identifying milestones. The fine tuning of the implementation plan should be completed by the following week. Ms. Spanos stated the ALT will work on cross-cutting measures next prior to finalizing the documents for the staff.

12. State Commission and Association Updates

Ms. Burger provided a brief update on the First 5 Association Advocacy Day that was held on January 31st. Several First 5 agencies from across the state met with legislators to discuss the value and benefits of the work of First 5. Ms. Burger noted the importance of reaching out to the legislators as the governor's recent budget proposal makes no new funding commitments for early childhood education.

Commissioner Magaña inquired whether the agency will be thinking about how to respond mindfully to changing political climate within the First 5 community. Ms. Burger commented that the agency is in touch with local organizations and foundations to provide support and outreach to families. Ms. Spanos added that agency staff has been working on outreach to community partners.

Chair Simms-Mackey asked whether the Help Me Grow phone line has resources to connect families with community partners. Carla Keener, Senior Administrator, Continuum of Care & Linkages, stated there have been an increase number of calls for this topic.

13. Legislation and Public Policy Updates

Ms. Burger presented the 2017 First 5 Association Bill tracker and briefly reviewed the line items related to marijuana legislation. Ms. Burger asked the Commission to review each bill in order to provide feedback on any conflicts they may have, opposition of support or their position if they have concerns.

MISCELLANEOUS

14. Communication from Commissioners

There was no communication from the Commissioners.

15. Adjournment

Chair Simms-Mackey adjourned the meeting at 11:24 AM.



To: First 5 Alameda County Commission
From: Christine Hom, Finance Officer
Date: April 20, 2017
Subject: Financial Policies Revisions

ACTION REQUESTED

To review and approve the following revisions to the Financial Policies.

BACKGROUND

First 5 Alameda County (F5AC) adopted Financial Policies in May 2004, which were subsequently amended in June 2006, May 2007, September 2011, April 2014 and October 2015. The Financial Policies are reviewed by staff on an annual basis and recommended changes are brought to the Commission for approval as needed.

RECOMMENDATION

This version of the Financial Policies remains substantially unchanged from that approved by the Commission in October 2015, except for the following changes:

1. Deletion of the "Controller" title in Section VI, B. on page 4 replacing it with "Finance Officer or designee".
2. Addition of language in Section VII, F. on page 5 regarding use of F5AC credit cards/vendor accounts. "Purchases under \$1,000 per transaction may be made on the F5AC credit cards/vendor accounts with prior approval from the Chief Executive Officer, Chief Operating Officer or designated staff."
3. Appendix A (F5AC Procedures Manual) and Appendix B (F5AC Investment Policy) have been removed but references to both documents remain.

The recommendations are made in the attached document in track changes format for easy identification.

FISCAL IMPACT

There is no fiscal impact.

RECOMMENDATION

That the Commission approve the proposed revisions to the Financial Policies.

Submitted by:

Reviewed by:

Christine Hom
Finance Officer

Janis Burger
Chief Executive Officer



First 5 Alameda County Financial Policies

Approved June 24, 2004
Revised June 22, 2006
Revised May 24, 2007
Revised September 22, 2011
Revised April 24, 2014
Revised October 15, 2015
Revised April 20, 2017

FIRST 5 ALAMEDA COUNTY

FINANCIAL POLICIES

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FIRST 5 ALAMEDA COUNTY FINANCIAL POLICIES

First 5 Alameda County (F5AC) is an independent governmental organization dedicated to assuring that there is a comprehensive system of early intervention services for children 0 to 5 years of age and families in Alameda County. The California Children and Families First Act of 1998 (Proposition 10) created a program in the state for the purposes of promoting, supporting, and improving the early development of children from the prenatal stage to five years of age. The intent of this act is to enable counties to create and implement an integrated, comprehensive and collaborative system of information and services to enhance optimal early childhood development.

F5AC is governed by nine commissioners who are appointed by the Alameda County Board of Supervisors. F5AC’s primary funding source is Proposition 10 tobacco taxes.

As a legally separate and fiscally independent agency, F5AC has the responsibility to establish and maintain sound financial policies that will assure F5AC’s continuing ability to achieve its goal of improving health and developmental outcomes of children in Alameda County ages 0 to 5. The overriding fiscal policy of F5AC is to maintain programs at a high level through 2025 in the face of declining Proposition 10 revenue stream by strategically drawing from reserves.

The goal of establishing the fiscal policies as detailed herein is to provide F5AC management with appropriate guidance to facilitate management decisions and to document the Commission’s delegation of decision making to management. Management will implement these policies through adoption of a Financial Management, Accounting and Administrative Procedures Manual.

I. ACCOUNTING, FINANCIAL REPORTING & AUDITING

F5AC will establish and maintain the highest standard of accounting practices.

- A. A comprehensive accounting process will be maintained to provide complete and timely financial information necessary to effectively operate F5AC.
- B. Accounting procedures will be documented to guide employees in their tasks, to assure consistency in F5AC’s accounting practices, and to assist during employee turnover (see [First 5 Alameda County Procedures Manual](#), [Appendix A](#)).
- C. F5AC will meet the financial reporting standards established by the Governmental Accounting Standards Commission.

- D. An annual audit will be performed by an independent certified public accountant in accordance with the requirements of California law, First 5 California, and in accordance with the contract with Alameda County.
- E. F5AC will prepare and issue timely quarterly financial reports to F5AC's management and staff, and will provide more frequent reports as requested. F5AC will issue the most recent financial report to the Commission at each meeting. It will also prepare and issue a six-month mid-year report for budget review purposes.
- F. To the extent possible, F5AC shall organize and assign work duties and responsibilities so that no single employee performs a complete accounting cycle. Employees with access to cash and other physical assets will not also have access to the accounting records. Established procedures shall require proper authorizations by designated persons for all significant actions taken.

II. FINANCIAL RESERVES AND GOALS

Sufficient financial reserves in the Children's Sustainability Fund are critical to F5AC's ability to achieve its mission of improving health and developmental outcomes of children ages 0 to 5 in Alameda County.

- A. F5AC will maintain the Children's Sustainability Fund in accordance with the Long Range Financial Plan established by the Commission on March 25, 2004, and any subsequently approved Long Range Plans. Prudent use of reserves will enable F5AC to maintain programs at a high level through 2025 in the face of declining Proposition 10 revenues.
- B. F5AC will maintain specific reserves required by law and/or debt covenants and any general reserve requirements as may be set from time to time by the Commission.
- C. F5AC will maintain sufficient reserve to support the cost of reimbursement in the case of audit exception in federal fiscal leveraging.
- D. Unspent funds at year end will close to the Children's Sustainability Fund, unless roll over to the next year is approved by the Commission.

III. BUDGET ADOPTION AND AMENDMENT

The budget is the central financial planning document that encompasses all revenue and expenditure decisions related to operations and to capital expenditures. It establishes the level of service to be provided by F5AC within the restriction of anticipated available funds.

- A. F5AC will adopt, by resolution, a budget by June 30 each year.

- B. The annual budget will be a balanced budget consisting of budgetary revenues, restricted carryover and, in accordance with the 10 -Year Financial Plan, augmentation from the Children’s Sustainability Fund.
- C. F5AC will maintain a budgetary control process to ensure compliance with the budget. The budget will be managed at the program level (i.e. program will not overspend its budget).
- D. The Commission will formally review F5AC’s fiscal condition, and amend the budget if necessary, approximately six months after the beginning of each fiscal year.
- E. Budget transfers between programs and budget adjustments that increase the authorized spending level of a program must be approved by the Commission.

IV. REVENUE ACCOUNTING

F5AC will maintain adequate control over revenues for accounting and reporting purposes. The accounting process will provide for timely and accurate recording and processing of revenue transactions as well as any specific reporting required.

- A. Revenue will be maximized by using Proposition 10 funds to match in accordance with F5AC’s Fiscal Leveraging Policy, adopted by the Commission on September 2000, and any subsequently approved policies.
- B. State and Federal funds, as well as private grants, may be utilized as long as F5AC determines that the total costs and requirements of accepting the funds are judged not to adversely impact general operations.
- C. Accounting for third party grants or contracts will allow for separate reporting of the activity as both a program of F5AC and in accordance with the requirements of the grant or contract.
- D. If more than one funding source is available for financing a project, the most restrictive sources will be used first.

V. INVESTMENTS

Adequate cash management and investment procedures can help ensure that sufficient funds are available to meet current expenditures.

- A. The Commission will annually review and approve the Investment Policy (see [First 5 Alameda County Investment Policy Appendix B](#)) in accordance with the California Government Code section 53646.

- B. The investment policy shall require that idle cash is invested in accordance with the following order of priority: 1) Legality, 2) Safety, 3) Liquidity and 4) Yield.
- C. F5AC shall maintain a cash management process which includes receipt of Proposition 10 tax revenues from the County treasury, disbursement of funds and prudent investment of its available cash in accordance with Commission policy in order to provide adequate funds for current operating expenditures.
- D. F5AC will only invest in those investments authorized by the California Government Code section 53601.

VI. CASH COLLECTIONS AND DISBURSEMENTS

A part of the overall maintenance of adequate accounting procedures is the ability to control cash collections and disbursements. Accounting procedures for these areas should be developed to ensure timely processing and recording.

- A. Disbursements whether in the form of checks, electronic transfers or other means will be approved by the Chief Executive Officer, Chief Operating Officer or other designated alternate staff, adequately documented, and accurately recorded in the accounting records. A process for retaining and retrieving supporting disbursements documentation will be maintained.
- B. The processes for cash collections and disbursements will provide for segregation of duties to the greatest extent possible. Bank reconciliations will be performed on a timely basis and reviewed on a timely basis by the Finance Officer or designee~~Controller~~, who shall not be involved in the cash collection or disbursement process.
- C. All cash collections whether in the form of checks or currency will be deposited in a timely manner, safeguarded until properly deposited, and accurately recorded in the accounting records.
- D. A receivables process will be maintained that identifies and bills all amounts due F5AC on a timely basis. The process will identify overdue receivables and provide timely collection notices.

VII. PURCHASING AND CONTRACTING

F5AC will provide a system of controls over all purchasing and contracting activities. A purchasing process shall provide for the efficient purchasing for F5AC supplies, equipment and services. It shall prevent unnecessary purchases of materials and supplies, and provide compliance with budgetary requirements.

- A. To the extent possible, Alameda County vendors will be considered.

- B. In accordance with the requirements set forth in Government Code section 130140(d)(4)(B) and Public Contract Code section 3410, preference will be given to United States grown produce and United States processed foods, when there is a choice and when it is economically feasible to do so. In accordance with the statute, F5AC can make the determination of what is “economically feasible”, considering the total cost, quantity and quality of the food and the budget and policies of F5AC.
- C. In accordance with the requirements set forth in Government Code section 130140(d)(4)(B) and Public Contract Code sections 22150 to 22154, F5AC will purchase recycled products instead of non-recycled products whenever recycled products are available at the same or lesser total cost than non-recycled products. In addition, F5AC will require vendors of supplies to comply with the Government Code and Public Contract Code sections referenced above, which require that such businesses certify in writing the minimum, if not exact, percentage of postconsumer materials in the products and supplies offered or sold to F5AC. F5AC may waive this certification requirement if the percentage of postconsumer material can be verified in a written advertisement, such as a product label, catalog, or website.
- D. F5AC will obtain formal proposals through a request for proposal process or request a sole source for each purchase of supplies, equipment or services in an amount of \$25,000 or more. For purchases of supplies, equipment or services in dollar amounts greater than \$5,000 but less than \$25,000, F5AC shall obtain at least three documented quotes. The best proposal shall be determined based on the best combination of price and quality. Quotes may be obtained in writing or from published price lists. Purchases of supplies, equipment or services in dollar amounts less than \$5,000 may be made at purchaser’s discretion, keeping within budget guidelines.
- E. F5AC employees can purchase up to \$1,000 per transaction on behalf of F5AC and be reimbursed with appropriate documentation and approval of the Chief Executive Officer, Chief Operating Officer or designated staff. All purchases must be within the approved budget.
- F. ~~An~~ F5AC credit cards/vendor accounts will be available for purchases that are over \$1,000 per transaction. Purchases under \$1,000 per transaction may be made on the F5AC credit cards/vendor accounts with prior approval from the Chief Executive Officer, Chief Operating Officer or designated staff. ~~#~~F5AC agency credit cards/vendor accounts will be held by the Office Manager or designated staff.
- G. All purchases of services over \$5,000 shall be documented via a contract. Only the CEO and Chief Operating Officer are authorized to sign contracts. Only the CEO and Chief Operating Officer or designated alternates are authorized to sign checks.

- H. Contracts of \$50,000 and above require commission approval, and are signed by the chair or vice-chair of the Commission or an alternate Commissioner as designated. Contracts under \$50,000 may be signed by the Chief Executive Officer or Chief Operating Officer. Ancillary payments to vendors (e.g. training costs, honorariums, advertisements) shall not exceed 10% or \$25,000, whichever is lower, be authorized by the CEO or Chief Operating Officer and will not be attributed to the \$50,000 limit for Commission approval if budget funds are available.
- I. F5AC will pay invoices within 40 days of receipt. When discounts are offered, invoices will be paid within the discount period.
- J. For each request for proposal issued, F5AC will establish and communicate to the prospective vendors the bidding or application procedures and evaluation criteria in order to ensure a fair bid or application process and enable F5AC to determine the most cost effective proposals.
- K. F5AC will utilize standardized bidding and application procedures, requests for proposals, contracting provisions, and processes to ensure consistent and effective procurement of supplies, equipment and services.

VIII. ADMINISTRATIVE COST POLICY

Per paragraph 5, subdivision d, Section 130140 of the Health and Safety Code, as amended in Assembly Bill 109, each county commission is required to adopt in a public hearing a limit on the percentage of the county commission’s operating budget that may be spent on administrative functions. The guidelines for adoption must be consistent with the First 5 Financial Management Guide.

1. Definition of Administrative Costs

The Guide requires a definition of administrative costs in each county. In Alameda County, administrative costs are defined as follows:

Costs incurred in support of the general management and administration of a First 5 commission, for a common or joint purpose that benefits more than one cost objective (other than evaluation activities) and/or those costs not readily assignable to a specifically benefited cost objective.

Administrative costs are distinguished from Program and Evaluation costs, which are defined as follows:

Program costs. Costs incurred by a First 5 commission readily assignable to a program or service provider (other than for evaluation activities) and/or in the execution of direct service provision.

Evaluation costs. Costs incurred by a First 5 commission in the evaluation of funded programs based on their accountability framework and data collection and evaluation for required reporting to the state and local stakeholders.

2. Allocation of Administrative Costs

First 5 Alameda County allocates administrative costs in the attached Schedule A. Indirect costs will be allocated to Programs using appropriate methods. Direct costs are not allocated to Programs.

3. Limit on Administrative Costs

The upper limit on to be spent on administrative costs is 10% of the operating budget.

4. Monitoring of Administrative Costs

The limit on administrative costs will be reviewed annually at the time of budget adoption. Administrative costs will be monitored throughout the year and will be reported on during the quarterly and year-end budget reports.

Administrative Cost Policy - Schedule A

<i>Expense</i>	<i>Cost Center</i>	<i>Allocable or Direct</i>	<i>Rationale/Allocation Method</i>
Communications	Admin	Direct and Allocable	Costs are direct when bills are linked to programs. Where bills are not linked to individuals, costs are allocable by head count.
Copying/Printing	Admin	Allocable	Head count
Equipment Leases, Rentals, Maintenance	Admin	Direct and Allocable	If the equipment is purchased for program use, it is direct. Equipment for general or shared use is allocable by head count.
Equipment Purchase	Admin	Allocable	Head count
Insurance	Admin	Allocable	Head count
Memberships, Dues	All	Direct	Charged directly to division
Postage	Admin	Direct and Allocable	When postage is for a specific program, it is direct. If shared, it is allocable by head count.
Professional Services	Admin	Allocable	Head count
Space Rental	All	Direct	Based on Square Footage

Supplies	Admin	Direct and Allocable	If employees order supplies for specific program use, it is direct; otherwise it is allocable by head count.
Travel	Admin	Direct	Charged directly to division
Depreciation	Admin	Allocable	Percentage of budget



To: First 5 Alameda County Commission

From: Janis Burger, Chief Executive Officer
Kristin Spanos, Chief Operating Officer
Christine Hom, Finance Officer

Date: April 20, 2017

Subject: FY 2017-18 Budget Proposal – First Reading

ACTION REQUESTED

To review the following FY 2017-18 Budget Proposal and to give feedback for clarification or changes in preparation for the final reading on June 15, 2017.

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 2017-21. The Strategic Plan was prepared after extensive program and needs assessment and community and stakeholder input. This budget proposal covers the first year of that period, FY 2017-18, and includes the strategies outlined in the Strategic Plan. This proposed budget also represents the first year of the FY 2017-2019 two-year budget cycle. The second year of this cycle will also be presented in June, and will be for informational purposes only.

This presentation is the first reading of the FY 2017-18 budget proposal. Staff will prepare the second and final reading for the June Executive and Commission meetings, and will incorporate in the interim any changes directed by the Commission as well as new information, if any, related to the Tobacco tax and other revenue streams and any major changes to expenditures. In addition, the presentation in June will include the list of contracts that exceed \$50,000 which require Commission authorization.

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 2018.

CURRENT BUDGET PROPOSAL

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

- First 5 staff salaries and benefits
- Contracts
- Grants & Stipends
- Professional Service Contracts
- Program Operating Costs
- Indirect infrastructure costs

The following Revenue and Expense projections reflect the priorities of the 2017-2021 Strategic Plan that was approved by the Commission in December 2016.

REVENUE AND AVAILABLE FUNDS FOR FY 2017-18

Combined Revenues and Sustainability Funds for FY 2017-2018 are projected to be \$20.5 million. This figure is consistent with the Long Range Financial Plan. Funds from the Sustainability Fund amounting to \$4,169,183 are budgeted to close the gap between revenue and projected expenses.

LINE ITEM	2017-18 PROPOSED	RATIONALE/DETAILS
Prop 10 Tobacco Tax	\$10,989,783	The Tobacco tax revenue projection is based on California Department of Finance and First 5 California projections for county commissions. Prop 10 Tobacco taxes are expected to decline by 11.3% or \$1,402,676 million dollars next year due to the impact of the new \$2 dollar tobacco tax. Backfill for the new tax will not be recognized until FY 2018-19.
Interagency Income	\$3,057,777	Interagency income includes: <ul style="list-style-type: none"> ▪ Funding from the Alameda County Public Health Department (ACPHD): \$82,544 for SAMHSA funded Project LAUNCH, \$103,000 for cost of share for ECChange data systems hosting and maintenance, \$388,113 for Help Me Grow (HMG) Linkage Line phone referral services, \$602,558 for the new 0-5 component of the Dental Transformation pilot program; ▪ AC Social Services Agency funding (\$325,000) for CALWORKS Roundtable project and early child development support in Castlemont Corridor; ▪ AC Office of Education funding from CA State Block Grant funding for QRIS III (\$35,784), anticipated funding for QRIS IV (\$313,568); ▪ AC Social Services Agency and Health Care Services Agency funding to support Fathers Corp work (\$80,000); ▪ First 5 California (IMPACT) – (\$1,127,210) to support local QRIS work including rating and quality improvement in child care settings.
Grants	\$1,033,551	Grant income includes: <ul style="list-style-type: none"> ▪ Funding from the CA Department of Education Infant Toddler Grant (\$84,279) to increase Infant/Toddler site participation in the QRIS consortium; ▪ Funding from the Long Foundation (\$749,272) to expand and support the Help Me Grow program; ▪ \$200,000 grant from Sunlight Giving to support neighborhood and place based work.

LINE ITEM	2017-18 PROPOSED	RATIONALE/DETAILS
Fiscal Leveraging	\$900,000	Medi-Cal Administrative Activities (MAA) - estimates based on MAA invoices submitted in 2015-16.
Investment Revenue	\$ 375,000	This projection of interest income assumes a yield of 1.4% for the next fiscal year.
Miscellaneous Income	\$16,860	Rental income from our First 5 Association tenants in the office building is the primary source of this line item.
Total Revenue (1)	\$16,372,971	Prop 10 Tobacco Tax, Interagency Income, Grants and Other Sources.
Prop 10 Sustainability Funds (2)	\$3,335,217	Draw down from Proposition 10 Sustainability Fund Balance to balance the budget.
Carryover (3)	\$833,966	Interagency and grants revenues received in prior year for planned activities in FY 2017-18.
Grand Total	\$20,542,154	Total Revenues and Available Funds = (1) + (2) + (3)

EXPENDITURES FOR FY 2017-18

Under the 2017-2021 Strategic Plan planned activities were categorized under ten major strategies:

PROGRAMS AND INVESTMENTS:

- Parent Engagement and Support
- Early Identification
- Quality Early Childhood Education
- Fatherhood
- Neighborhoods Ready for School
- Innovation

CAPACITY BUILDING & SUSTAINABILITY

- Policy and Evaluation
- Training
- Communications
- Administration, Information and Technology

The following Expense proposal provides the cost for each of the ten strategies detailed in the Strategic Plan. The program strategy expenditures presented below consist of Salaries and Benefits, Program related Contracts, Grants and Stipends, Professional Services costs and Program Operating costs. Strategies are supported by facilities, infrastructure and data systems. These indirect agency Infrastructure costs are reflected in the Administration, Information and Technology budget. The budget narrative provides some detail on each Strategy and is to be read in conjunction with the Strategic Plan.

Consistent with legislative requirements brought about by AB 109, expense costs continue to be separated into three 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 2017-2018, total salaries and benefits are projected to be \$7,959,808. 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.

Parent Engagement and Support

The Parent Engagement and Support strategy budget proposal for 2017-18 is \$2,921,132 and consists of:

PARENT ENGAGEMENT AND SUPPORT STRATEGY		
FY 2017-18 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$2,921,132	<ul style="list-style-type: none"> ▪ Tobacco Tax, ▪ Medi-Cal ▪ Administrative Activities (MAA), ▪ Center for the Study of Social Policy (CSSP), ▪ Packard Foundation ▪ Alameda County Public Health Department 	<ul style="list-style-type: none"> ▪ Continue support of home visiting services with Alameda County Public Health Department (ACPHD) ▪ Continue support of Parent Cafe services ▪ Continue support of Project DULCE activities ▪ Implement the 0-5 component of the Alameda County Dental Transformation Grant ▪ Develop RFP for Parent Engagement services including parent support and education and contract for selected services

Early Identification

The Early Identification strategy budget proposal for 2017-18 is \$2,826,004 and consists of:

EARLY IDENTIFICATION STRATEGY		
FY 2017-18 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$2,826,004	<ul style="list-style-type: none"> ▪ Tobacco Tax, ▪ Medi-Cal Administrative Activities (MAA), ▪ Thomas J Long Foundation ▪ Alameda County Public Health Department 	<ul style="list-style-type: none"> ▪ Continue support of increasing early identification of concerns that impact children's development and school readiness. ▪ Support parents and caregivers in accessing resources, and increase parent knowledge of child development ▪ Broaden screening efforts in alignment with Help Me Grow Strategic Plan ▪ Continue to fulfill obligations of Help Me Grow National model and Long Foundation funded strategies

Quality Early Childhood Education

The Quality Early Childhood Education strategy budget proposal for 2017-18 is \$4,082,633 and consists of:

QUALITY EARLY CHILDHOOD EDUCATION STRATEGY		
FY 2017-18 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$4,082,633	<ul style="list-style-type: none"> ▪ Tobacco Tax, ▪ CA Department of Education, ▪ Alameda County Office of Education, ▪ First 5 California, ▪ Koshland Family Foundation 	<ul style="list-style-type: none"> ▪ Continue to provide core infrastructure, coordinator and convener role for the Quality Rating and Improvement System (QRIS) system ▪ Continue the recruitment and engagement of ECE providers in to the QRIS ▪ Continue to conduct and communicate assessment and rating ▪ Provide coaching, consultation and QI services ▪ Continue support for sustainable advising in institutions of higher education

Fatherhood

The Fatherhood strategy budget proposal for 2017-18 is \$330,000 and consists of:

FATHERHOOD STRATEGY		
FY 2017-18 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$330,000	<ul style="list-style-type: none"> ▪ Tobacco Tax ▪ Alameda County Health Care Services Agency and Alameda County Social Services Agency 	<ul style="list-style-type: none"> ▪ Incorporate Father Friendly Principles into additional programs and community initiatives ▪ Develop Fatherhood Partnership Program, host Summits and convene learning communities ▪ Develop Father Friendly Principles awareness, adoption, implementation, and capacity building campaign in to public systems and CBOs ▪ Initiate Fatherhood Media Campaign ▪ Implement Fatherhood Interagency Workgroup

Neighborhoods Ready for School

The Neighborhoods Ready for School strategy budget proposal for 2017-18 is \$3,038,427 and consists of:

NEIGHBORHOODS READY FOR SCHOOL STRATEGY		
FY 2017-18 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$3,038,427	<ul style="list-style-type: none"> ▪ Tobacco Tax, ▪ Medi-Cal Administrative Activities (MAA), ▪ Alameda County Social Services Agency ▪ Alameda County Public Health Department ▪ Sunlight Giving 	<ul style="list-style-type: none"> ▪ Continued support of school readiness and place based work with Oakland Unified School District and the Castlemont Corridor ▪ Continued support of Project LAUNCH funded activities ▪ Develop “Neighborhood Frameworks” strategy to guide development of RFP for services and funding investments in areas with the highest need to promote neighborhoods where children can thrive

Innovation

The Innovation strategy budget proposal for 2017-18 is \$500,000 and consists of:

INNOVATION STRATEGY		
FY 2017-18 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$500,000	<ul style="list-style-type: none"> ▪ Tobacco Tax 	<ul style="list-style-type: none"> ▪ Funding to support new and innovative approaches to program development and design, seed programs or systems connectivity as proof of concept for policy change and/or sustained funding.

Policy and Evaluation

The Policy and Evaluation strategy budget proposal for 2017-18 is \$2,145,402 and consists of:

POLICY AND EVALUATION STRATEGY		
FY 2017-18 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$2,145,402	<ul style="list-style-type: none"> ▪ Tobacco Tax ▪ Sunlight Giving 	<ul style="list-style-type: none"> ▪ Continue focus on local policy and systems changes will result in the institutionalization of the work that began at First 5 ▪ Contribute to First 5 Association policy work ▪ Develop an annual policy platform for local efforts aligned with F5AC programs and priorities around school readiness, child development, family supports, child friendly neighborhoods ▪ Continue development of data dashboard, performance monitoring and analysis for each F5AC program strategy in alignment with results-based accountability ▪ Continue performing evaluations of identified initiatives (i.e. school readiness, place-based work)

Training

The Training strategy budget proposal for 2017-18 is \$700,000 and consists of:

TRAINING STRATEGY		
FY 2017-18 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$700,000	<ul style="list-style-type: none"> ▪ Tobacco Tax 	<ul style="list-style-type: none"> ▪ Continue to provide training on best, promising practices and peer learning communities for the multi-disciplinary workforce serving families with young children ▪ Develop curriculum and capacity building tools connecting trainings to workforce development, parent engagement and place based strategies

Communications

The Communications strategy budget proposal for 2017-18 is \$350,000 and consists of:

COMMUNICATIONS STRATEGY		
FY 2017-18 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$350,000	<ul style="list-style-type: none"> ▪ Tobacco Tax 	<ul style="list-style-type: none"> ▪ Continue development of dissemination strategy for F5AC reports and information ▪ Continue development of social media strategy ▪ Develop multi-year campaign that connects with policy platform, parent engagement and education on child development ▪ Develop collateral materials re: impacts of F5 investments to promote sustainability

Administration, Information and Technology

The Administration, Information and Technology strategy budget proposal for 2017-18 is \$3,648,556 and consists of:

ADMINISTRATION, INFORMATION AND TECHNOLOGY STRATEGY		
FY 2017-18 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$3,648,556	<ul style="list-style-type: none"> ▪ Tobacco Tax, ▪ Medi-Cal Administrative Activities (MAA), ▪ Alameda County Public Health Department ▪ First 5 Association (rent) 	<ul style="list-style-type: none"> ▪ Includes Administration, Finance, Human Resources, Commission, facilities management and consolidated operating costs to support agency operations ▪ Expand and update data systems to build capacity for cross data systems exchange of information including the enhancement of internal databases, expansion of data system agility and responsiveness, improved performance and productivity, update of electronic data sharing confidentiality and privacy practices ▪ Includes agency wide infrastructure costs of insurance, memberships/dues, professional services, utilities, janitorial and maintenance

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 areas 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:

2017-18 ADMINISTRATIVE CAP	
Program	83%
Evaluation	9%
Administration	8%
TOTAL	100%

Fiscal Impact

The fiscal impact is \$20,542,154 in budgeted expenses, a major portion of which will be funded by a combination of Prop 10 and other revenue sources amounting to \$16,372,971. The balance is expected to be funded by the use of Proposition 10 Sustainability Funds and revenues received in prior years for planned activities in FY 2017-18 totaling \$4,169,183 in FY 2017-18.

RECOMMENDATION

That the Commission review the FY 2017-18 Budget Proposal and give feedback for clarification or changes in preparation for the final reading on June 15, 2017.

Submitted by:

Reviewed by:

Christine Hom
Finance Officer

Janis Burger
Chief Executive Officer

Kristin Spanos
Chief Operating Officer

**First 5 Alameda County
Proposed Revenue Budget
July 1, 2017 - June 30, 2018**

Revenues	Proposed Budget FY 2017-18	Note
Prop 10 Tobacco Tax	\$ 10,989,783	1
Interagency Income		
AC Public Health Department - Project LAUNCH (SAMHSA) *	\$ 82,544	2
AC Public Health Department - Data Systems Hosting & Maintenance	\$ 103,000	3
AC Public Health Department - Dental Transformation program *	\$ 602,558	4
AC Social Services Agency - Parent Voices CALWORKS *	\$ 325,000	5
AC Office of Education - QRIS Block Grant 3	\$ 35,784	6
AC Office of Education - QRIS Block Grant 4	\$ 313,568	7
AC Health Care Services Agency - Fathers Corp *	\$ 80,000	8
AC Public Health Department - Help Me Grow Linkage Line *	\$ 388,113	9
First 5 California - IMPACT	\$ 1,127,210	10
Total Interagency Income	\$ 3,057,777	
Grants		
Federal* (see above for federally funded awards)	\$ -	
State - California Dept of Education (Infant/Toddler Block Grant)	\$ 84,279	11
Private		
- Thomas J Long Foundation	\$ 749,272	12
- Koshland Foundation	\$ -	
- Packard Foundation (Project DULCE)	\$ -	
- Sunlight Giving	\$ 200,000	13
Other		
- Center for the Study of Social Policy (Project DULCE)	\$ -	
Total Grants	\$ 1,033,551	
Fiscal Leveraging - MediCal Administrative Activities	\$ 900,000	14
Other - Investment Revenue	\$ 375,000	15
- Miscellaneous Income	\$ 16,860	16
TOTAL REVENUE	\$ 16,372,971	
Reserves		
Proposition 10 Sustainability Funds	\$ 3,335,217	17
Interagency and grants revenues received in prior years (for planned activities in FY 2017-18)	\$ 833,966	18
TOTAL REVENUES & AVAILABLE FUNDS	\$ 20,542,154	

Notes:

1. Prop 10 Tobacco tax revenues are expected to decline at a rate of 11.3% from the prior year due to the impact of the new \$2 dollar tobacco tax
2. Project LAUNCH funding via AC Public Health Department
3. Funding from AC Public Health Department to support share of cost of ECChange maintenance and hosting
4. New 4 year grant funding from AC Public Health Department to support the 0-5 component of Dental Transformation pilot
5. AC Social Services Agency (Parent Voices) - Funding for People's Task Force CalWORK's Roundtable project and transition work in Castlemont corridor
6. AC Office of Education (QRIS) - third block grant funding for the Quality Rating Improvement System work ending September 2017
7. AC Office of Education (QRIS) - anticipated new block grant funding for the Quality Rating Improvement System work ending September 2018
8. Funding from AC Health Care Services Agency and AC Social Services Agency for a Fathers Corp staff position to oversee the program ending December 2018
9. Funding from AC Public Health Department to support Help Me Grow Linkage Line services
10. First 5 California (IMPACT) - Funding to support QRIS work including rating and quality improvement in child care settings ending June 2020
11. Infant & Toddler Block Grant received from the CA Department of Education to increase the Infant/Toddler site participating in QRIS consortium ending August 2017
12. Thomas J. Long Foundation - funding to support Help Me Grow expansion efforts in conjunction with First 5 Contra Costa ending June 2019
13. Second year of three-year \$600,000 funding from Sunlight Giving to support Neighborhoods Ready for School/Place Based work
14. Fiscal leveraging revenue based on income in prior years
15. Investment Revenue based on income in prior years. Conservatively estimated to yield approximately 1.4% of \$27 million portfolio for the budget year
16. Miscellaneous Revenue from renting office space to the First 5 Association
17. Sustainability funds will be used to balance the budget, when expenses exceed revenues during the budget year

**First 5 Alameda County
Proposed Operating Expenditure Budget By Strategy
July 1, 2017 - June 30, 2018**

	Parent Engagement/ Parent Support	Early ID	ECE	Fatherhood	Neighborhoods Ready for School	Innovation	Policy & Evaluation	Training	Communications	Administration, Information and Technology	TOTAL
	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed
	FY 2017-18	FY 2017-18	FY 2017-18	FY 2017-18	FY 2017-18	FY 2017-18	FY 2017-18	FY 2017-18	FY 2017-18	FY 2017-18	FY 2017-18
Personnel Costs											
Salaries & Benefits	1,102,132	1,530,564	1,191,346	169,914	527,580	0	1,663,358	357,829	78,236	1,338,849	7,959,808
Program Contracts/Grants											
Contracts	1,819,000	1,163,845	2,265,293	0	2,460,847	450,000	482,044	302,171	85,000	1,081,011	10,109,211
Grants & Stipends	0	0	245,000	0	0	50,000	0	0	0	0	295,000
Professional Services*	0	53,564	340,000	86,586	50,000	0	0	40,000	186,764	45,000	801,914
Total Contracts/Grants	1,819,000	1,217,409	2,850,293	86,586	2,510,847	500,000	482,044	342,171	271,764	1,126,011	11,206,125
Program Operating Costs**	0	78,031	40,994	73,500	0	0	0	0	0	478,696	671,221
Infrastructure Costs	0	0	0	0	0	0	0	0	0	705,000	705,000
Total Direct Program Costs	2,921,132	2,826,004	4,082,633	330,000	3,038,427	500,000	2,145,402	700,000	350,000	3,648,556	20,542,154

* Professional Services Contracts : Contracts with individuals or vendors for time limited services that support program work (e.g. consultants, web design, etc.)

** Program Operating costs: Costs that support agency program implementation (e.g. supplies, travel, meeting costs, etc.)

First 5 Alameda County
Proposed Expenditure Budget by Expenditure Category
July 1, 2017 - June 30, 2018

Expenditures	Preliminary Budget FY 2017-18	% of Budget
Personnel Costs	\$7,959,808	38.7%
Contracts	\$10,109,211	49.2%
Grants & Stipends	\$295,000	1.4%
Professional Services Contracts	\$801,914	3.9%
Program Operating Costs	\$671,221	3.3%
Indirect infrastructure Costs	\$705,000	3.4%
TOTAL EXPENDITURES	\$20,542,154	100%



To: First 5 Alameda County Commission

From: Janis Burger, Chief Executive Officer
Kristin Spanos, Chief Operating Officer
Christine Hom, Finance Officer

Date: April 20, 2017

Subject: FY 2017-25 Long Range Financial Plan – First Reading

ACTION REQUESTED

To review the following FY 2017-25 Long Range Financial Plan and to give feedback for clarification or changes in preparation for the final reading on June 15, 2017.

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 2016. An update to the LRFP is included with underlying assumptions as well as historical background information. The update reflects the Proposed Budget for FY 2017-2018 and the most recent Prop 10 Tobacco Tax revenue forecast from the California Department of Finance that was received in January 2017. The first public reading of the revised Plan will be held on April 20, 2017 and the second and final reading on June 15, 2017.

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, 2016 was \$32 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.

FISCAL IMPACT

There is no fiscal impact.

RECOMMENDATION

To review the following FY 2017-25 Long Range Financial Plan and to give feedback for clarification or changes in preparation for final reading on June 15, 2017.

Submitted by:

Reviewed by:

Christine Hom
Finance Officer

Janis Burger
Chief Executive Officer

Kristin Spanos
Chief Operating Officer

ASSUMPTIONS FOR THE REVISED LONG RANGE FINANCIAL PLAN

Presented below are the assumptions used to develop the Long Range Financial Plan.

REVENUES

FY 2016-17 figures are from the original and revised budget approved in February 2017. For 2017-18 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 January 2017. These take into account the effects of the federal tobacco tax, other declines in state tobacco tax revenues due to new legislation (SBx 2 7 Smoking Age Increase to 21, Proposition 56 \$2 dollar tobacco tax increase) Prop 99 and backfill amounts and other factors. The projections cover the 2017-2018 period.

Historically, the DoF projections have been on the conservative side, with actual revenues received being equal to or higher than projections:

<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
2013-2014	\$13.2m	\$13.2m
2014-2015	\$13.0m	\$13.3m
2015-2016	\$12.1m	\$13.2m
<hr/>		
		<u>Estimated Revenue</u>
2016-2017	\$11.6m	\$12.4m (est.)
2017-2018	\$10.9m	\$10.9m (est.)

Based on the above DoF projection for 2017-2018, the Long Range Financial Plan assumes a 6% decline in tax revenue from the prior year. Historically, actual revenues received have met and more frequently exceeded DoF projections. Revenues received to date trend closer to the anticipated receipt of \$12.4m for 2016-17. The decline from \$12.4m to the projected \$10.9 (DoF) for 2017-18 represents a 11% decrease. Backfill from Proposition 56 (new \$2 tobacco tax) will be recognized beginning in 2018-19 and will increase revenues by a projected 13%. Moving forward beyond 2018-19, revenues are expected to continue decreasing at a rate of 5% per year. If actual revenues show a significant change during the year, the projection for the current year will be brought to the Commission at mid-year, along with other budget modification proposals.

- **Interagency Income -**
 - AC Public Health Department funding for SAMHSA funded Project LAUNCH activities (\$83,000)
 - AC Public Health Department funding for ECChange database hosting and maintenance (\$103,000)
 - AC Public Health Department funding for Help Me Grow (HMG) Linkage Line services (\$388,000)
 - AC Public Health Department funding for the 0-5 component of the Dental Transformation grant (\$603,000)
 - Pass through funding from AC Social Services Agency to support Parent Voices Oakland and early child development activities in the Castlemont neighborhood (\$325,000)
 - Funding from the AC Office of Education to support third (\$125,000) and fourth (\$314,000) block grant funding to support Quality Rating Improvement Systems work
 - Funding from AC Health Care Services Agency and AC Social Services Agency to support Fathers Corps work (\$80,000)
 - Funding from First 5 California (IMPACT) – to support local QRIS work including rating and quality improvement in child care settings (\$1,348,000)

- **Fiscal Leveraging** – Since 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 \$700,000- \$750,000 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 2017-18 budget year (and the entire 2017-21 Strategic Plan), and will thereafter receive a lower reimbursement of \$300,000 for 2021-25 with the anticipated reduction in staffing.

- **Grants –**
 - The CA Department of Education Infant Toddler Block grant extends in to 2017-18 (\$308,000)
 - Private grant revenue from the Thomas J Long Foundation will continue through 2017-18 (\$892,000). Funding from the Packard Foundation to support Project DULCE ends in 2017-18 (\$25,000). The three year grant from the Koshland Family Foundation to train ECE providers has been extended to end in 2017-18 (\$88,000). A three year grant from Sunlight Giving continues through 2017-18 (\$200,000). A grant from The Center for the Study of Social Policy (\$44,000) to continue implementation of Project DULCE ends in 2017-18.

As and when new grants are awarded, the Long Range Financial Plan will be revised accordingly.

- **Investment Revenue** – The FY 2017-18 proposed budget estimates investment income to be earned at a rate of 1.4% of the beginning fund balance.
- **Miscellaneous Income** – Consists of rental income from the First 5 Association.

EXPENSES

FY 2017-18 expenditure figures are from the current proposed budget process. 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 covered within the range of annual budgetary savings, and this is expected to continue in future years as well.

Use of Sustainability Funds

At \$3.3 million, the budgeted use of Prop 10 Sustainability Funds for FY 2017-18 exceed the original projections that were made last year. This increase will be funded through a corresponding increase in the amount funded from Sustainability (\$3.3 million versus \$2.5 million).

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.

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 \$27 million at the end of the current fiscal year (2016-17) 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 could not be spent until a Strategic Plan was passed (Jan. 1999-Jan. 2000). Thereafter, contributions to the Sustainability Fund were intentionally budgeted over a number of years (2001-2004). Finally, budgeted funds that remained unspent were directed by the Commission to be added to the Sustainability Fund, rather than be rolled-over to the subsequent year’s budget (2001-present). It is important to note however 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 only since FY 2009-10.

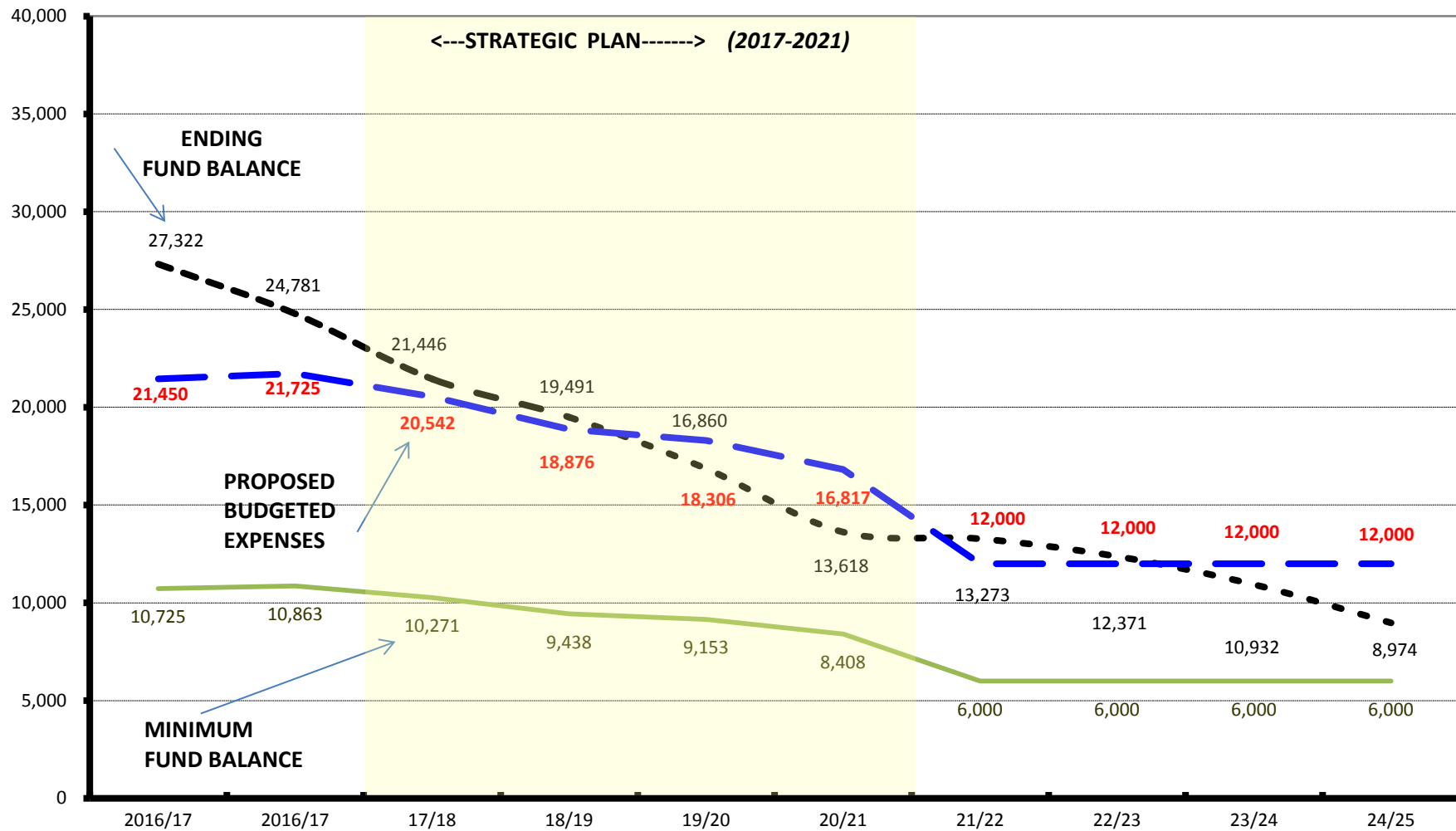
The following is a summary of the use of sustainability funds as indicated in the Long Range Financial Plan. The plan assumes that Sustainability Funds will continue to be used to maintain a balanced budget, throughout the plan time frame.

<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 ¹
2011-12	\$4.1m	\$0.8m
2012-13	\$9.0m	\$5.3m ²
<u>FY 2013-17 Strategic Plan</u>		
2013-14	\$1.7m	\$0.0
2014-15	\$2.3m	\$1.5m
2015-16	\$2.3m	\$1.2m
2016-17	\$4.9m	-
<u>FY 2017-21 Strategic Plan</u>		
2017-18	\$3.3m	-
2018-19	\$1.9m	-
2019-20	\$2.6m	-
2020-21	\$3.2m	-

¹ Increased outlay on Contracts in order to reduce fund balance in anticipation of AB 99 – which required all First 5s to transfer half their fund balance to the State of CA by the end of 2012. AB 99 was subsequently repealed and the threat passed.

² Purchase of Office Building at 1115 Atlantic Ave., Alameda in April 2013.

LONG RANGE FINANCIAL PLAN 2017-2025 BUDGET & FUND BALANCE (\$000s)





To: First 5 Alameda County Commission
From: Christine Hom, Finance Officer
Date: April 20, 2017
Subject: Contract Authorizations

REQUESTED ACTION

To review and approve the following contract authorizations.

BACKGROUND

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

First 5 Association - \$85,000

First 5 Alameda County is requesting approval of a \$85,000 payment to the First 5 Association during FY 2016-17 for the following:

- \$45,000 to support Help Me Grow California staffing (FY 2016-20) as part of the collaboration between First 5 Association/Help Me Grow California
- \$10,000 annual Policy fund contribution for FY 2017-18
- \$30,000 annual membership dues for FY 2017-18

The First 5 Association has already received payment of FY 2016-17 dues and the contribution to the policy fund in the amount of \$36,670 this fiscal year. The addition of this \$85,000 brings the FY 2016-17 aggregate payment amount to \$121,670 for which Commission approval is needed.

Fiscal Impact: Prop 10 funding for this is budgeted.

Action requested: Approve an aggregate FY 2016-17 disbursement of \$121,670 to the First 5 Association.

Early Learning Lab - \$50,000

First 5 Alameda County is requesting sole source approval of a FY 2016-18 \$50,000 contract with the Early Learning Lab to support The Parent Success Collaborative (PSC)/Parent Innovation Institute, a model to provide training in human-centered design to parent-serving organizations in Oakland. First 5 Alameda County funding will support stipends and convening expenses for the project.

Fiscal Impact: Prop 10 funding for this is budgeted.

Action requested: Approve a FY 2016-18 award amount of \$50,000 for he Early Learning Lab.

RECOMMENDATION

That the Commission approve the above contract authorizations.

Submitted by:

Reviewed by:

Christine Hom
Finance Officer

Janis Burger
Chief Executive Officer



Project DULCE at Highland Hospital Pediatric Department

The Center for the Study of Social Policy (CSSP) chose Alameda County as one of five national sites to pilot Project DULCE (Developmental Understanding and Legal Collaboration for Everyone). CSSP is partnering with First 5 Alameda County, East Bay Community Law Center and UCSF Benioff Children's Hospital to implement this program at Highland Hospital's Pediatric Department.

Background

DULCE is an innovative pediatric-care based intervention through which primary care clinical sites proactively address social determinants of health and promote the healthy development of infants from birth to six months of age and provide support to their parents. DULCE's intervention adds a Family Specialist (FS) to the pediatric care team, and the FS provides support for families with infants in the clinic setting, connecting them to resources based on parents' needs and priorities – with the option of providing home visits, at the parents' choice. The DULCE intervention incorporates components of the Medical-Legal Partnership model to ensure that families have access to the resources they need.

The Center for the Study of Social Policy (CSSP) and city and county partners participating in Early Childhood-LINC (Learning and Innovation Network for Communities) is testing DULCE in five clinical settings across the US for two and a half years, starting in October, 2015. The sites are in three California counties (through county First 5 commissions in Alameda, Los Angeles and Orange Counties); Palm Beach County, FL (through the Children's Services Council); and Lamoille Valley, VT (through the Lamoille Family Center).

Each community is implementing DULCE in at least one clinic site serving at least 200 infants per year (caseload of 100 at a time), and there will be a careful evaluation of the impact of DULCE on infants and families served as well as on selected indicators of health care delivery and health/social services utilization.

Project DULCE Guiding Principles are:

- DULCE strengthens families by providing extra support during the critical first six months of life
- DULCE is embedded in the patient-centered medical home
- DULCE works together with families to empower them to solve their own problems: don't do "for" families, do "with" families
- DULCE connection is universal, there is no stigma attached

Goal of Project DULCE in Alameda County

The result we are trying to achieve for this pilot in Alameda County is that infants and their families at Highland Pediatric Department (HHPD) provided with Project DULCE services are less likely than their peers to experience the negative impacts of toxic stress.

Alameda County Project DULCE Details

- In a unique partnership with Highland Hospital Pediatrics Department and the UCSF Benioff Children's Hospital Oakland (CHO), support and clinical (social work) supervision of the Family Specialist is provided by **Jennifer Murphy-Sims**, Lead Clinician for the CHO Fussy Baby Program.
- Project DULCE participants have access to the services of **Erin Le**, Health Staff Attorney at East Bay Community Law Center who consults with staff regarding the legal needs of families. This is particularly useful for families who are new immigrants.
- **Itta Aswad**, Highland Hospital Health Services Manager and Pediatricians, **Dr. Veronica Sood** and **Dr. Sam Singer** are our "clinic champions" and part of the Project DULCE team.
- **Carla Keener** and **Page Tomblin** from First 5 Alameda County are the early childhood systems leads and serve as the project coordinators.



Role of the Family Specialist

Project DULCE Family Specialist Laura Lopez has supported close to 142 families of infants 0-6 months as of March 1, 2017 by:

- Meeting with families at all routine visits for infants 0-6 months. She uses the DULCE curriculum to provide age-related information on child development, answer developmental and behavioral questions and provide general support to the parents of infants.
- Providing families with support for any unmet legal needs in partnership with the East Bay Community Law Center. As of October 12, 2016, EBCLC consulted on 37 DULCE cases. The majority are related to housing, public benefit denials and immigration.
- Providing home visits and telephone check-ins to those families who agree to receive them.
- Meeting with the DULCE team weekly for case conferencing session.

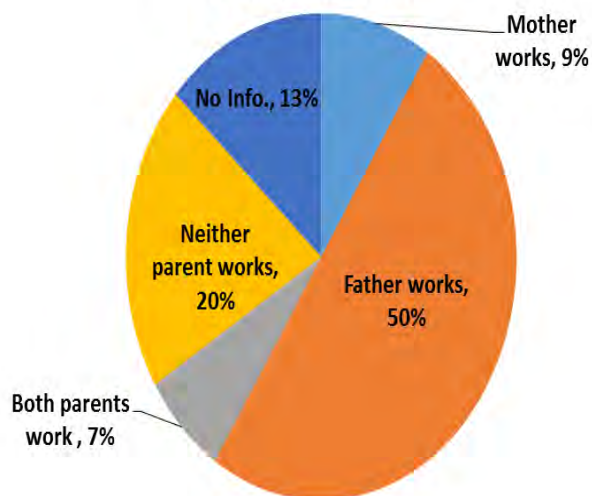
- At six months, the DULCE Family Specialist hand off care to the primary care team and any other ongoing early childhood services as necessary.

Financial Support

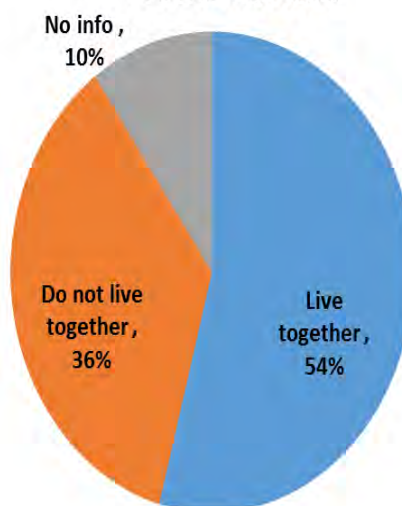
Funding for this project is provided by the JPB Foundation through First 5 Alameda County and the Center for the Study of Social Policy and the David and Lucille Packard Foundation.

For more information, contact Laura Lopez, laulopez@alamedahealthsystem.org or (510) 437-4877

**Employment Status of
DULCE Parents**

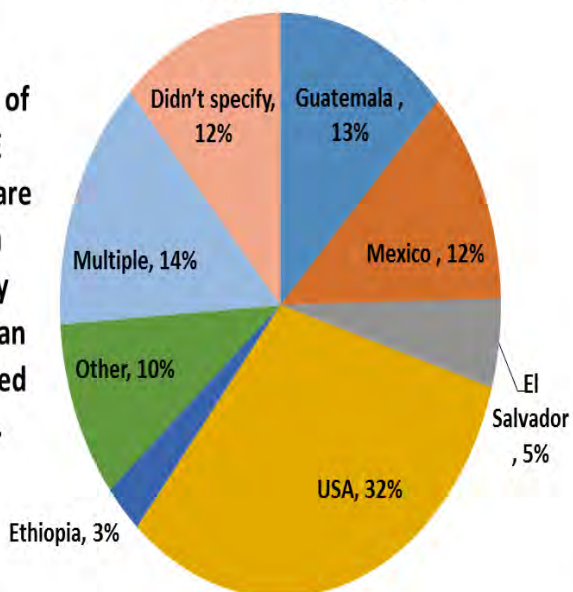


**Habitational Status of
DULCE Parents**

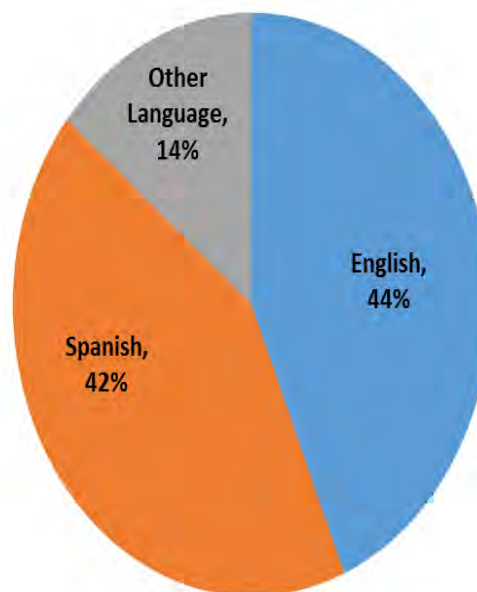


Country of Origin

The majority of DULCE families are from a country other than the United States.



Primary Language



Date: April 20, 2017

To: First 5 Alameda County Commission

From: Janis Burger, CEO, First 5 Alameda County

Subject: Resolution on Immigration

ACTION REQUESTED

That the Commission review and approve the following resolution.

BACKGROUND

The advent of new Executive Orders from the President of the United States and the uptick of inhumane deportation practices is causing fear, isolation and anger in the communities we serve. Many of our partners report families are less likely to seek out services such as food and income supports because they fear deportation. Overall, First 5 Alameda County believes separating families and destabilizing young children threatens their safety, development and health.

The following proposed Resolution will be distributed in the F5AC FYI newsletter, to our community partners, to other First 5's and to local elected officials.

WHEREAS, Alameda County is the fourth most diverse county in the United States, with foreign-born residents comprising over 34% of the county's total population, and 54.5% of children ages 0-17 live with one or more parent who was born outside of the U.S.; and

WHEREAS, due to Executive Orders and stepped up deportation efforts, large numbers of undocumented immigrants now face challenges with access to need basic support and feel their safety is threatened due to their status; and

WHEREAS, Children live in constant fear their parents will be taken away at any moment and children feel ostracized by policies that promote racial hatred; and

WHEREAS, Immigration policies that break families apart threaten young children's safety, stability, and development having long term impact, and

WHEREAS, First 5 Alameda County continues to stand by our mission of partnering with the community to 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 – regardless of their immigration status; and

WHEREAS, California School Superintendent Tom Torlakson urges school districts to remain safe havens for students; to date 15 of the 18 school districts in Alameda County have declared themselves safe havens; and

WHEREAS, California Gov. Jerry Brown has promised to defend laws protecting immigrant rights; State Senator President pro Tempore Kevin de León (D-Los Angeles) has introduced the “California Values Act” to prevent the use of state and local resources for federal immigration enforcement that would separate families and hurt the state’s economy; and

WHEREAS, Alameda, Oakland, Emeryville, San Leandro and Berkeley passed resolutions supporting sanctuary city policies; and

WHEREAS, the Alameda County Board of Supervisors passed a resolution entitled “Upholding Due Process and Protecting Civil Rights of Immigrant Residents” and another resolution designating Alameda County a Welcoming County for Immigrants and Refugees.

NOW THEREFORE, BE IT RESOLVED, First 5 Alameda County wholeheartedly refutes policies that threaten and separate families and will work with our partners to keep our communities secure. We commit to protecting children and their families by:

- 1) Training service providers and other partners on immigration policies and resources;
- 2) Supporting sanctuary city and safe haven policies at school districts across the county;
- 3) Providing trustworthy information for early childhood educators, community based organizations, partners and families; and
- 4) Advocating for just immigration policies.

THE FOREGOING was **PASSED**, and **ADOPTED** on this 20th day of April, 2017.

FISCAL IMPACT

There is no fiscal impact.

RECOMMENDATION

That the Commission approve the proposed resolution.

Submitted by:

Reviewed by:

Janis Burger
Chief Executive Officer

Kristin Spanos
Chief Operating Officer