



FIRST 5 ALAMEDA COUNTY COMMISSION MEETING AGENDA

Thursday, October 15, 2020
9:00 AM – 11:30 AM

Members of the public may access this meeting via:
Zoom Meeting: <https://zoom.us/j/94777803880>
Meeting ID: 947 7780 3880

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

Alternates: Vanessa Cedeño, Aneeka Chaudhry, Anissa Basoco-Villarreal

- 1. Public Comment (for items not listed on the agenda) - Limited to 3 minutes per speaker**
- 2. Approval of Minutes from June 18, 2020**
- 3. Staff Announcements**
 - a. Children’s Health and Child Care Initiative for Alameda County Update**
 - b. General Staff Announcements**
 - c. COVID-19 Response Update**
- 4. 2021 Commission Draft Calendar**
- 5. FY 2019-20 Financial Audit Presentation**
- 6. Biennial Conflict of Interest Code**
- 7. Employee Handbook Revisions**
- 8. Personnel Benefits Recommendation**
- 9. Help Me Grow Presentation**
- 10. State Commission and Association Updates**
- 11. Legislation and Public Policy Update**
- 12. Communication from Commissioners**
- 13. Adjournment**

Information about access:

Please contact Julia Otani at julia.otani@first5alameda.org or (510) 227- 6987 three business days in advance if you need special assistance or translation/interpretation support so we can make reasonable arrangements to ensure accessibility. We will swiftly resolve any requests for accommodation to resolve any doubt whatsoever in favor of accessibility.



First 5 Alameda County Commission Meeting
June 18, 2020, 9:00 AM – 11:30 AM
Zoom Webinar Meeting ID: 939 4738 1925

Commissioners Present: Chair: Renee Herzfeld, Vice Chair: Cecilia Oregon Echeverría, Scott Coffin, Tomás A. Magaña M.D., Karina Moreno, Kimi Watkins-Tartt

Commissioner Alternate: Anissa Basoco-Villarreal, Vanessa Cedeño

Excused: Wilma Chan, Lori Cox

First 5 Staff Present: Kristin Spanos, Charla Black-Edwards, Lyssa DeGolia, Lisa Forti, Christine Hom, Carla Keener, Julia Otani, Mojgan Vijeh, Lea Yancey

Guest Presenter: Carlos Oblites

| AGENDA ITEM SPEAKER | DISCUSSION HIGHLIGHTS | ACTION | FOLLOW UP |
|---|---|---|-----------|
| CALL TO ORDER | | | |
| R. Herzfeld | The Commission meeting was called to order by Chair Herzfeld who gavelled in at 9:00 AM. Chair Herzfeld shared that the meeting was being recorded. | None | None |
| 1. PUBLIC COMMENT | | | |
| R. Herzfeld | There was no Public Comment. | None | None |
| 2. APPROVAL OF MINUTES FROM APRIL 16, 2020 | | | |
| R. Herzfeld | [Attachment] Chair Herzfeld asked if there was any public comment. Chair Herzfeld facilitated the vote to approve the April 16, 2020 Commission Meeting minutes. | Motion: K. Moreno Second: S. Coffin Abstained: K. Watkins-Tartt Motion passed. | None |
| 3. STAFF ANNOUNCEMENTS | | | |
| K. Spanos | [Attachment] A. General Staff Announcements Dadscussions <ul style="list-style-type: none"> The third and final Dadscussions webinar was held on 6/11/20. Supervisor Carson provided opening comments. 97% of the attendees found the webinars helpful and would like them to continue. First 5 Alameda County (F5AC) staff will be discussing internally how to continue these important conversations. Help Me Grow (HMG) <ul style="list-style-type: none"> F5AC is continuing to work with the Alameda Alliance to launch a pilot related to HMG. The Alameda Alliance awarded F5AC \$165,000 to conduct outreach beginning in July to families and children to encourage their participation in pediatric care. | None | None |

| AGENDA ITEM SPEAKER | DISCUSSION HIGHLIGHTS | ACTION | FOLLOW UP |
|---|--|--------|-----------|
| 3. STAFF ANNOUNCEMENTS (Continued) | | | |
| K. Spanos | <ul style="list-style-type: none"> • F5AC was one of four counties invited to participate in a state-wide table with Manatt Health and the Center on the Study of Social Policy around pediatric practices and their role in supporting social-emotional and developmental health of children. Internal conversations have started with Manatt. Commissioner Coffin joined the workgroup on a call on 5/27/19. The next phase will include further conversations with Commissioner Echeverría and Supervisor Chan as a part of the workgroup. It is a nice opportunity for F5AC to be part of the national dialogue, with California being one of seven states participating nation-wide. B. Children's Health and Child Care Initiative for Alameda County Update <ul style="list-style-type: none"> • The Board of Supervisors certified the vote for Measure C as a victory on 4/21/20, but abstained from collecting the tax. There was a 60-day window to file opposition to the vote. Alternate Cedeño informed the Commission that the County is working with counsel on next steps. C. COVID-19 Response Update - Presentation <ul style="list-style-type: none"> Community Resilience Fund <ul style="list-style-type: none"> • COVID response totalling more than \$5.5 million prioritizing at-risk communities. • \$2.1 million to school districts, using an equity index to allocate the funds. • \$1.4 million of food and supplies distribution and funding to support Board of Supervisors districts. F5AC Administered Programs & Contracted Direct Services <ul style="list-style-type: none"> • The HMG Central Access Line has seen a 250% increase in referrals to the Alameda County CommunityFood Bank. • Current funded partners adjusted deliverables and requirements to support COVID response and meet community needs. Support of County Emergency Child Care Response Team <ul style="list-style-type: none"> • F5AC is working with Alameda County Social Services Agency and General Services Agency on subsidized child care, centralized intake/referral process for essential workers needing child care, connecting public health nurses and mental health providers to assist child care providers and participating in webinars to share information with child care providers. First 5 COVID-19 Microsite and AlamedaKids.Org <ul style="list-style-type: none"> • F5AC is using its communication portals to provide community, child care providers and essential workers access to COVID-19 resources. Internal Policies for Employees <ul style="list-style-type: none"> • Mandatory remote work began on 3/16/20. • Commission approved temporary modification to policies allowing employees to sell back vacation and Paid Time Off through 6/30/20 and request a pay advance for 1 pay period through 12/31/20. • Promoting health and wellness resources, including Employee Assistance Program. | | |

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|--|---|---|-----------|
| 4. F5AC RESOLUTION ON RACIAL INJUSTICE | | | |
| K. Spanos | <p>[Attachment]</p> <ul style="list-style-type: none"> F5AC felt that the recent murders of African-Americans, at the hands of the police, warranted a statement from the Agency and from the Commission. It is a public statement by the Agency, not only opposing racism, violence and injustice, but it is intended to serve as a tool for Agency accountability. This resolution is one step in articulating that commitment. It is Ms. Spanos' intention to use the commitments made in the resolution to measure our organizational progress and to ensure we live up to our commitments. <p>Ms. Spanos and the F5AC Senior Leadership Team read the resolution to the Commission.</p> <p>Chair Herzfeld asked if there was any public comment.</p> <p>Chair Herzfeld facilitated the vote to approve the F5AC Resolution on Racial Injustice.</p> | <p>Motion: K. Watkins-Tartt Second: T. Magaña No Abstentions. Motion passed.</p> <p>Commissioner Coffin left the meeting before the vote.</p> | None |
| 5. CHANDLER ASSET MANAGEMENT PRESENTATION | | | |
| C. Oblites C. Hom | <p>[Attachment]</p> <p>Carlos Oblites, Senior Vice President & Portfolio Strategist from Chandler Asset Management presented the economic forecast and F5AC's portfolio.</p> <p>A. FY 2019-20 July - March Investment Report</p> <p>Ms. Hom presented the FY 2019-20 July - March Investment Report</p> <ul style="list-style-type: none"> Total investment earnings for the period was \$476,660; net of fees from the money manager Chandler Asset Management and Union Bank as the account custodian was \$455,383. As of 3/31/20, the market value of the portfolio was \$29.5 million and at cost \$28.7 million, resulting in an unrealized gain of \$887,000. <p>Chair Herzfeld asked if there was any public comment.</p> <p>Chair Herzfeld facilitated the vote to approve the FY 2019-20 July - March Investment Report.</p> | <p>Motion: T. Magaña Second: C. Echeverría No Abstentions. Motion passed.</p> | None |
| 6. INVESTMENT POLICY REVISIONS | | | |
| C. Hom | <p>[Attachment]</p> <p>Ms. Hom presented the Investment Policy Revisions.</p> <ul style="list-style-type: none"> Majority of the changes were proposed by Chandler Asset Management and based on best practices. Section VIII. Social and Environmental Concerns is new and proposed to be added to the policy to include language about investments in corporate securities and depository institutions being evaluated for social and environmental concerns. <p>Chair Herzfeld asked if there was any public comment.</p> <p>Chair Herzfeld facilitated the vote to approve the Investment Policy Revisions.</p> | <p>Motion: V. Cedeño Second: K. Moreno No Abstentions. Motion passed.</p> | None |

| AGENDA ITEM SPEAKER | DISCUSSION HIGHLIGHTS | ACTION | FOLLOW UP |
|--|---|--|-----------|
| 7. FY 2020-22 BUDGET PROPOSAL - FINAL READING | | | |
| C. Hom | <p>[Attachment] Ms. Hom presented the FY 2020-22 Budget Proposal - Final Reading</p> <ul style="list-style-type: none"> • New committed funding received since the first reading from Sunlight Giving \$35,000, Connecticut Children's Medical Center \$6,000, Alameda Alliance for Health \$165,000, Packard Foundation \$25,000 and Fatherhood Summit funding from Alameda County departments \$194,999. • Proposal to carry over \$618,000 in savings from the current fiscal year to be used for the COVID-19 Community Resilience Fund in FY 2021. • Combination of changes increases budget for FY 2020-21 to \$25,709,664. The net of these changes also decreased the administrative cap to 10.23% with program at 82.42% and evaluation costs at 7.35%. • Requested approval in principle of the second year of the FY 2020-22 budget to enable the agency to engage in two- year awards that span FY 2020-22. <p>Chair Herzfeld asked if there was any public comment. Chair Herzfeld facilitated the vote to approve the FY 2020-22 Budget Proposal.</p> | Motion: C. Echeverría Second: K. Watkins-Tartt No Abstentions. Motion passed. | None |
| 8. FY 2020-21, FY 2020-22 CONTRACT AUTHORIZATIONS | | | |
| C. Hom | <p>[Attachment] Ms. Hom presented the FY 2020-21, FY 2020-22 Contract Authorizations.</p> <ul style="list-style-type: none"> • Six contracts that exceeded \$250,000 were approved by the Executive Committee on 6/11/20. • Enclosed in the meeting packet are the contracts that Ms. Spanos has approved since being extended the authority to approve contracts up to \$250,000 at the April Commission meeting. | None | None |
| 9. FY 2020-29 LONG RANGE FINANCIAL PLAN - FINAL READING | | | |
| C. Hom | <p>[Attachment] Ms. Hom presented the FY 2020-29 Long Range Financial Plan - Final Reading</p> <ul style="list-style-type: none"> • Adjustments to revenue and expenses mentioned in the budget proposal are included. • Additional grant funding is assumed to be time limited and included based on expiration. • If all expenses are incurred as outlined in the proposed budget, the fund balance at the end of FY 2021 will be \$23.3 million. <p>Chair Herzfeld asked if there was any public comment. Chair Herzfeld facilitated the vote to approve the Long Range Financial Plan.</p> | Motion: T. Magaña Second: K. Moreno No Abstentions. Motion passed. | None |
| 10. GASB 54 FUND BALANCE COMMITMENT | | | |
| C. Hom | <p>[Attachment] Ms. Hom presented the GASB 54 Fund Balance Commitment.</p> <ul style="list-style-type: none"> • GASB 54 requires the classification of the fund balance into five possible areas: "Non-Spendable, Restricted, Committed, Assigned and Un-Assigned". • F5AC is proposing \$14.5 million be classified as "Non-Spendable" for FY 2020-21 to be used towards FY 2020-22 contracts, grants and pre-paid expenses. | Motion: C. Echeverría Second: V. Cedeño No Abstentions. Motion passed. | None |

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|--|--|--|-----------|
| 10. GASB 54 FUND BALANCE COMMITMENT (Continued) | | | |
| C. Hom | <ul style="list-style-type: none"> The remaining portion of the fund balance not exceeding \$15.5 million is proposed to be classified as "Assigned" for budget stabilization, consistent with the Long-Range Financial Plan. Chair Herzfeld asked if there was any public comment. Chair Herzfeld facilitated the vote to approve the GASB 54 Fund Balance Commitment. | | |
| 11. ACERA 401 (H) ACCOUNT AUTHORIZATION | | | |
| M. Vijeh | [Attachment] Ms. Vijeh presented the ACERA 401 (h) Account Authorization. <ul style="list-style-type: none"> This resolution is brought annually to the Commission for approval. F5AC's contribution for FY 2020-21 is \$57,261.54 and the contribution per pay period is \$2,202.37 beginning with pay period 20-14. Chair Herzfeld asked if there was any public comment. Chair Herzfeld facilitated the vote to approve the ACERA 401(H) Account Authorization. | Motion: K. Moreno Second: V. Cedeño No Abstentions. Motion passed. | None |
| 12. SALARY GUIDELINES REVISIONS | | | |
| L. DeGolia | [Attachment] Ms. DeGolia presented the Salary Guidelines Revisions. <ul style="list-style-type: none"> Revisions include adding flexible classification language to the guidelines and adding salary footnote language to positions based on business need. Proposal to close the office on Thursday 7/2/20 to appreciate staff during remote work, in lieu of a staff picnic. Chair Herzfeld asked if there was any public comment. Chair Herzfeld facilitated the vote to approve the Salary Guidelines Revisions. | Motion: K. Watkins-Tartt Second: T. Magaña No Abstentions. Motion passed. | None |
| 13. FY 2020-21 STRATEGIC PLAN - FINAL READING | | | |
| L. Forti | [Attachment] Ms. Forti presented the FY 2020-21 Strategic Plan - Final Reading. <ul style="list-style-type: none"> The Strategic Plan has already been approved by the Commission to extend to 2022. The Community Resilience Fund for the COVID-19 response has been added to the plan. Chair Herzfeld asked if there was any public comment. Chair Herzfeld facilitated the vote to approve the FY 2020-21 Strategic Plan - Final Reading. | Motion: C. Echeverría Second: K. Watkins-Tartt No Abstentions. Motion passed. | None |
| 14. STATE COMMISSION AND ASSOCIATION UPDATE | | | |
| K. Spanos | Ms. Spanos provided the State Commission and Association Update. <ul style="list-style-type: none"> Melissa Stafford Jones has accepted the position of First 5 Association of California's Executive Director. She will join the organization on 7/6/20. | None | None |

| AGENDA ITEM SPEAKER | DISCUSSION HIGHLIGHTS | ACTION | FOLLOW UP |
|---|--|--------|-----------|
| 15. LEGISLATION AND PUBLIC POLICY UPDATE | | | |
| K. Spanos | Ms. Spanos provided the Legislation and Public Policy Update. <ul style="list-style-type: none"> • Estimated \$54.3 billion state budget deficit. • On 6/15/20, the legislature put forward a proposal that would reject provider rate cuts. • Governor Newsom is expected to sign the budget before the new fiscal year on 7/1/20. | None | None |
| 16. COMMUNICATION FROM COMMISSIONERS | | | |
| R. Herzfeld | None | None | None |
| 17. ADJOURNMENT | | | |
| R. Herzfeld | Chair Herzfeld gavelled out and adjourned the meeting at 11:16 AM. | None | None |

Respectfully Submitted By: Julia Otani, Executive Assistant

Olson | Remcho

MEMORANDUM

TO: Members, Alameda County First 5 Commission

FROM: James C. Harrison and Ben Gevercer

DATE: September 13, 2020

RE: Update on Measure C Case

Recently, the Alameda County Taxpayers Association and several individual petitioners dismissed their reverse validation action challenging Measure C because they failed to comply with the statutory deadlines for notice.

To ensure that any challenges to the validity of Measure C are promptly resolved, Alameda County filed its own validation action on August 4, 2020. Before that, on August 3, 2020, the same Petitioners from the earlier reverse validation lawsuit refiled their lawsuit. These actions will likely be consolidated for hearing.

Nearly all the Petitioners' claims in the dismissed lawsuit are included in the new lawsuit, but they've added a couple of additional claims for invalidation. For one, the Petitioners added a claim that Measure C violates the Revenue and Tax Code's provision for local sales taxes. (The provision upon which they rely specifically requires a two-thirds vote when the *board of supervisors* places a special tax on the ballot. Cal. Rev. & Tax. Code § 7285.5(a).)

Petitioners also added a claim that Measure C should be invalidated because the language imposes the tax for more than twenty years but the Measure C ballot label/question described it as a "20 year half-percent sales tax" and the Measure C "Purpose and Intent" section described it as a "20-year transactions and use tax." This claim arises from the fact that the operative date of the tax is a date uncertain, because it is tied to the execution of a contract with the state for the collection of the tax (the first day of the calendar quarter after execution of the contract with the state and at least 110 days after the adoption of the ordinance). The clear intent is that the tax should be collected for 20 years, and given the Board's decision to refrain from collecting the tax until there is a final appellate decision in this case, the tax will in fact be collected for *less* than 20 years.

Next, the Petitioners must publish a notice of summons, which will allow other interested parties to join this case.

Long Beach
555 E. Ocean Blvd, Ste. 420
Long Beach, CA 90802

Sacramento
555 Capitol Mall, Ste. 400
Sacramento, CA 95814

Oakland
1901 Harrison St., Ste. 1550
Oakland, CA 94612

Additionally, the California Supreme Court denied a petition to review the recently published First District Court of Appeal decision, *City and County of San Francisco v. All Persons Interested in Matter of Proposition C*, 51 Cal. App. 5th 703 (2020). In that case, the court held that the two-thirds vote requirement for local special taxes, enacted by Propositions 13 and 218, do not apply to voter initiatives. By declining to review this case, the California Supreme Court essentially affirmed that San Francisco's Proposition C, Business Tax for Homeless Services, was validly enacted with a simple majority. This decision is binding precedent on trial courts, including in the pending Alameda County Measure C case, and will be persuasive authority, but not binding, in other appellate courts that are considering the same issue, including in the Oakland Measure AA case and in the Fresno Measure P case, both of which are currently pending in appellate courts. However, these other cases once decided will also likely be appealed to the California Supreme Court, which could then decide to review the question.

Please let us know if you have any further questions.

JCH:NL



FY 2020-21 Contracts List
 CEO Contract Authorizations and Amendments (Less than or equal to \$250,000 per contract/action - see light blue columns)

| Original Award, approved by Commission (June 18, 2020) | | | | | | | New Contracts or Augmentations, approved by CEO (6/19-10/15/20) | | | |
|--|-----------------|--|---------------------|-------------------|---------------------------------------|-----------------|---|---------------------------|--|--|
| Strategy | Award Number | Contractor | Contract Start Date | Contract End Date | Original Description of Scope of Work | Original Amount | New, Amendment or Ancillary Amount | New Total Contract Amount | Funding to support COVID-19 activities | Description of New Contract or Added Scope of Work |
| Admin, Info & Technology | CS-AIT-2021-428 | The Real HR Ninja Consulting, LLC | 7/20/2020 | 1/15/2021 | New Award | \$ - | \$ 57,600.00 | \$ 57,600.00 | No | Funding to provide Human Resources consultation. |
| Communications | CS-CMC-2021-456 | Full Court Press Communications | 9/1/2020 | 4/30/2021 | New Award | \$ - | \$ 50,000.00 | \$ 50,000.00 | Yes | Funding to develop communications strategies and materials to amplify the work of First 5's Community Resilience Fund, related activities and support the development of our annual report. |
| COVID-19 Community Resilience Fund | CS-CRF-2021-454 | Resources for Community Development | 9/15/2020 | 6/30/2021 | New Award | \$ - | \$ 50,000.00 | \$ 50,000.00 | Yes | BOS Award, District 4-Supervisor Miley; Funding to purchase and distribute essential supplies as part of First 5 Alameda County's COVID-19 relief efforts. |
| COVID-19 Community Resilience Fund | CS-CRF-2021-455 | CAPE, Inc. | 9/15/2020 | 6/30/2021 | New Award | \$ - | \$ 50,000.00 | \$ 50,000.00 | Yes | BOS Award, District 1-Supervisor Haggerty; Funding to purchase and distribute essential supplies as part of First 5 Alameda County's COVID-19 relief efforts. |
| COVID-19 Community Resilience Fund | CS-CRF-2021-429 | Eden United Church of Christ | 8/1/2020 | 6/30/2021 | New Award | \$ - | \$ 50,000.00 | \$ 50,000.00 | Yes | BOS Grant Funding, District 4-Supervisor Miley; Funding to purchase and distribute essential supplies as part of First 5 Alameda County's COVID-19 relief efforts. |
| COVID-19 Community Resilience Fund | CS-CRF-2021-424 | Pleasanton Unified School District | 8/1/2020 | 6/30/2021 | New Award | \$ - | \$ 53,314.00 | \$ 53,314.00 | Yes | Funding to provide services and supplies in support of kindergarten transition programming will be available to parents and schools who find themselves particularly vulnerable due to COVID-19. |
| COVID-19 Community Resilience Fund | CS-CRF-2021-430 | San Lorenzo Unified School District | 8/1/2020 | 6/30/2021 | New Award | \$ - | \$ 182,513.00 | \$ 182,513.00 | Yes | Funding to provide services and supplies in support of kindergarten transition programming will be available to parents and schools who find themselves particularly vulnerable due to COVID-19. |
| COVID-19 Community Resilience Fund | CS-CRF-2021-431 | San Leandro Unified School District | 8/1/2020 | 6/30/2021 | New Award | \$ - | \$ 176,377.00 | \$ 176,377.00 | Yes | Funding to provide services and supplies in support of kindergarten transition programming will be available to parents and schools who find themselves particularly vulnerable due to COVID-19. |
| COVID-19 Community Resilience Fund | CS-CRF-2021-432 | Livermore Valley Joint Unified School District | 8/1/2020 | 6/30/2021 | New Award | \$ - | \$ 72,889.00 | \$ 72,889.00 | Yes | Funding to provide services and supplies in support of kindergarten transition programming will be available to parents and schools who find themselves particularly vulnerable due to COVID-19. |
| COVID-19 Community Resilience Fund | CS-CRF-2021-433 | Fremont Unified School District | 8/1/2020 | 6/30/2021 | New Award | \$ - | \$ 73,151.00 | \$ 73,151.00 | Yes | Funding to provide services and supplies in support of kindergarten transition programming will be available to parents and schools who find themselves particularly vulnerable due to COVID-19. |
| COVID-19 Community Resilience Fund | CS-CRF-2021-434 | Castro Valley Unified School District | 9/1/2020 | 6/30/2021 | New Award | \$ - | \$ 60,066.00 | \$ 60,066.00 | Yes | Funding to provide services and supplies in support of kindergarten transition programming will be available to parents and schools who find themselves particularly vulnerable due to COVID-19. |
| COVID-19 Community Resilience Fund | CS-CRF-2021-438 | Emery Unified School District | 9/1/2020 | 6/30/2021 | New Award | \$ - | \$ 107,603.00 | \$ 107,603.00 | Yes | Funding to provide services and supplies in support of kindergarten transition programming will be available to parents and schools who find themselves particularly vulnerable due to COVID-19. |

Original Award, approved by Commission (June 18, 2020)

New Contracts or Augmentations, approved by CEO (6/19-10/15/20)

| Strategy | Award Number | Contractor | Contract Start Date | Contract End Date | Original Description of Scope of Work | Original Amount | New, Amendment or Ancillary Amount | New Total Contract Amount | Funding to support COVID-19 activities | Description of New Contract or Added Scope of Work |
|------------------------------------|-----------------|---|---------------------|-------------------|---|-----------------|------------------------------------|---------------------------|--|--|
| COVID-19 Community Resilience Fund | CS-CRF-2021-445 | Berkeley Unified School District | 9/1/2020 | 6/30/2021 | New Award | \$ - | \$ 62,185.00 | \$ 62,185.00 | Yes | Funding to provide services and supplies in support of kindergarten transition programming will be available to parents and schools who find themselves particularly vulnerable due to COVID-19. |
| Early Identification | PI-EID-2021-439 | UCSF Benioff Children's Hospital Oakland | 7/1/2020 | 6/30/2021 | New Award | \$ - | \$ 146,000.00 | \$ 146,000.00 | No | Funding to implement ACEs Aware grant activities with a focus on providing training and support to pediatric providers to implement screening for ACEs/SDOH using the PEARLS tool. |
| Early Identification | PI-EID-2021-442 | Lucile Packard Children's Hospital Stanford | 7/1/2020 | 6/30/2021 | New Award | \$ - | \$ 75,000.00 | \$ 75,000.00 | No | Funding to provide outreach, support and consultation to the Alameda and Contra Costa pediatric sites participating in ACEs Aware grant activities; convene a quarterly peer-to-peer learning community. |
| Quality Early Childhood Education | PI-ECE-2021-416 | Early Quality Systems | 7/1/2020 | 6/30/2021 | New Award | \$ - | \$ 119,494.00 | \$ 119,494.00 | No | Funding to host a secure and fully managed iteration of the iPinwheel database system for Alameda County Quality Counts to manage the local QRIS program. |
| Quality Early Childhood Education | TBD | Alameda County General Services Agency | 7/1/2020 | 6/30/2021 | Funding to coordinate stakeholder participation in Quality Counts Advisory groups; serve on the Quality Counts Leadership Team to provide support alignment; support ECE professionals' use of the Workforce Registry; and support Title V sites with Quality Counts participation, COVID 19 and fiscal management. | \$ 143,000.00 | \$ 98,000.00 | \$ 241,000.00 | No | Funding to provide individual Professional Development Stipends to approximately 500 ECE providers for the completion of 21 hours of PD. |
| Quality Early Childhood Education | TBD | California School Age Consortium | 9/1/2020 | 6/30/2021 | New Award | \$ - | \$ 98,000.00 | \$ 98,000.00 | No | Funding to provide technical assistance and training to CSPP agencies to maximize revenue and support site quality, to sustain the Alameda County ECE Pilot (retain state child care contract funds in County rather than return to the state) and to support regulation and policy interpretation in collaboration with the Local Planning Council. Also coordinate a virtual Pilot Leadership Development Professional Learning Community (PLC) for 12-14 CSPP site directors. |
| | | | | | | | \$ 1,582,192.00 | | | CEO Authorizations 6/19/20 - 10/15/20 |



Investment for Impact: Community Resilience Fund

COVID-19, Racism, and Economic Crisis Threaten Health and Well-Being of Families



Community organizations in Alameda County and across the Bay Area region are struggling to keep pace with the needs of children and families

amid the simultaneous health and economic crises created by COVID-19. At the same time, society is in the midst of a reckoning around race and the harmful effects of institutional, structural racism that have resulted in societal barriers to wealth and resources for African American/Black families and other communities of color over many generations.

With families navigating historic levels of job loss, child care and school closures, health care challenges, and food and housing insecurity, the pandemic has only exacerbated persistent health and economic inequities.

Together, these societal, economic, and health conditions pose a particular threat to the health and well-being of children, especially children of color, with long-term implications for health, development, and well-being of children, families, and communities.

Commitment to Social Justice

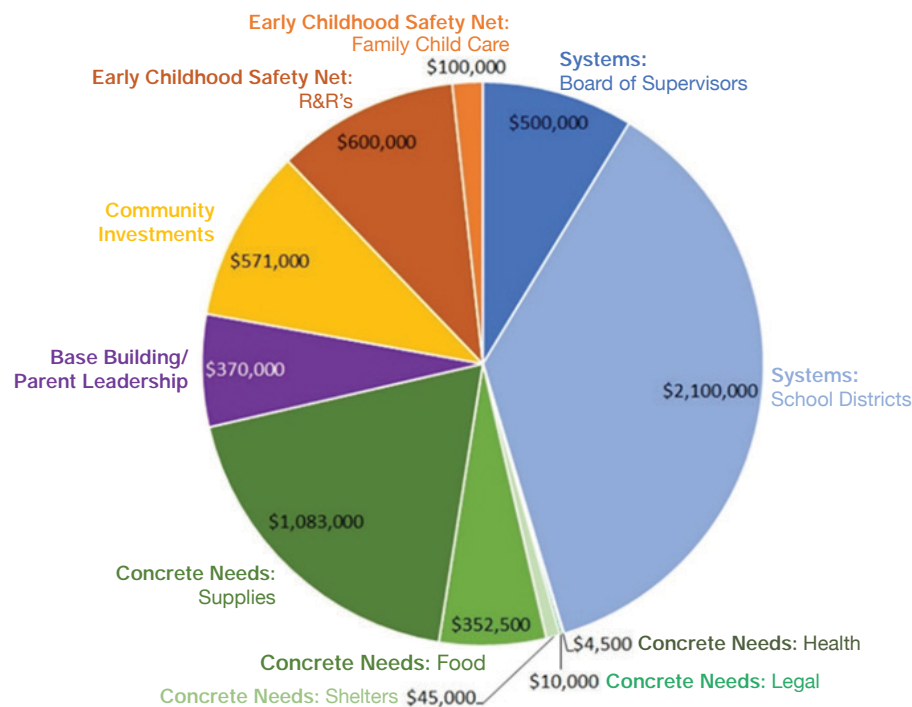
Equity Framework

The Resilience Fund grants priority to African American/Black, South East Asian/Asian Pacific Islander, Latinx, Native American, immigrants, and undocumented families and those experiencing poverty. Due to structural race and class bigotries these populations are disproportionately impacted by the COVID-19 crisis and allocated resources must be used to mitigate the resulting inequities.

“The need for investment in our collective future has never been greater.”

Kristin Spanos, Chief Executive Officer

First 5 Resilience Fund Investments

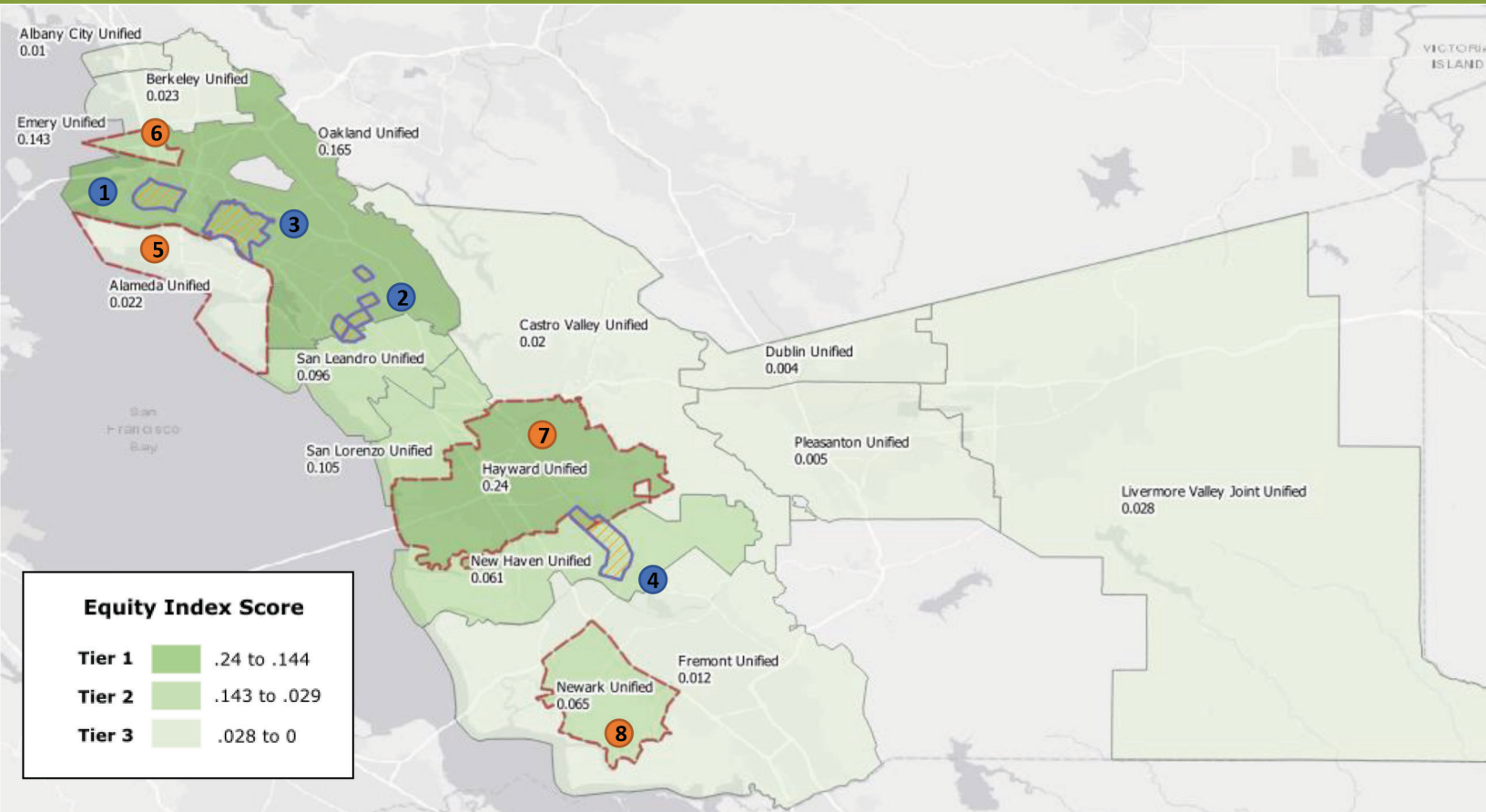


Goals of the Community Resilience Fund

First 5 Alameda County [launched a Community Resilience Fund in April totaling more than \\$5.5 million](#) to help children, families, and child care providers cope with the heightened challenges of the pandemic. The agency reviewed all current contracts, repurposed deliverables, engaged in targeted partnerships with philanthropy, and identified savings to be added to funding the First 5 Commission appropriated out of reserves to support the pandemic response. The goals of the fund are to:

1. Address the needs of young children, their families, and the early childhood system that supports them.
2. Prioritize investment in communities positioned most vulnerably as a result of racist and classist private and public policies and practices.
3. Leverage First 5 evaluation data and existing investments by supporting key kindergarten readiness recommendations, as well as augmentations to our existing Neighborhoods Ready for School grantees now also operating as supply and distribution hubs.

Equity-Informed Investments: COVID-19 Community Resilience Fund + Current Place-Based Investments



Support for Kindergarten Readiness

In 2019, our flagship research study, the Alameda County Kindergarten Readiness Assessment (KRA), found that only 44% of students are fully ready. Building off of this work and other place-based investments through our Neighborhoods Ready for School program and Early Learning Communities Network, the Community Resilience Fund is supporting children’s transition to kindergarten with grants to school districts, based on an equity index we developed.

The equity index is a weighted composite of the following factors:

- Percent of student body using free and reduced lunch
- Diversity of student body
- COVID-19 community transmission rates
- Kindergarten Readiness Assessment participation and 3rd grade academic achievement
- Number of kindergarten students and classrooms

*A higher score (indicated by a darker color on the map) represents a district with a greater level of need.

Resilience Fund Kindergarten Transition School District Grants (FY20-21)

TIER 1 (\$1,254,000)

Hayward Unified
Oakland Unified*

TIER 2 (\$750,000)

Emery Unified
San Lorenzo Unified
San Leandro Unified
Newark Unified
New Haven Unified

TIER 3 (\$490,000)

Livermore Valley Joint Unified
Berkeley Unified
Alameda Unified
Castro Valley Unified
Fremont Unified
Albany Unified
Pleasanton Unified
Dublin Unified

Basic Needs Stipends (\$60,000)
(not mapped)

Alameda County Office of
Education

*Includes existing kindergarten transition grant

Our Current Place-Based Investments

Neighborhoods Ready for School Grantees

(Total FY19-21 \$4,248,800)

- 1 Lincoln
- 2 Roots Community Health Center
- 3 San Antonio Family Resource Center
- 4 Union City Family Center

Early Learning Community Network Grantees

(Total FY19-21 \$990,000)

- 5 City of Alameda
- 6 YMCA of the East Bay / City of Emeryville
- 7 4C's of Alameda County
- 8 City of Newark

Priority Investments

Systems Partnerships

- Engagement with the **Alameda County Board of Supervisors** to support countywide systems change efforts. See our [Early Childhood Data Profiles](#) for each Supervisorial District for more information
- Investment in **school districts** to support kindergarten transition in a time of crisis for families and our educational partners

Concrete Needs

- Purchase and distribution of concrete needs and essential supports for providers and families, working with Alameda County Community Food Bank and SupplyBank.Org
- Investment in family-serving shelters to improve access to essential supplies for unhoused families with young children, with support from Sunlight Giving

Early Childhood Education

- Sustaining local infrastructure of backbone entities like the Resource and Referral Agencies to meet heightened demand during the current crisis
- Investment in local family childcare providers in partnership with the Low Income Investment Fund and Silicon Valley Community Foundation, increasing access to financial technical assistance

Community Investments

- Investment in community parent advocacy through increases to current contracts for our Neighborhoods Ready for School grants and Parent Voices Oakland
- Pivot of NRFS sites into distribution hubs and use of KRA study to inform support for kindergarten transitions and funding in areas with greatest need
- Targeted investments, in partnership with the California Wellness Foundation, for communities who are particularly vulnerable at this time
- Participation in a base building advocacy fund through the East Bay Community Foundation

Essential Food and Supplies for Families and Providers

All Sites Requesting or Distributing COVID Relief Supplies



Distribution Hubs

- Alameda County Office of Education Meal Service Sites*
- Child Care Resource and Referral Agencies
- Neighborhoods Ready for School Sites

One-Time Donation Sites

- Community-Based Organizations
- Faith-Based Organizations
- Health Care Agencies
- Domestic Violence Shelters

Types of Supplies Requested

- Diapers
- Wipes
- Baby Formula
- Bar Soap
- Liquid Hand Soap
- Disinfectant Solution in Spray Bottles
- Laundry Detergent
- Bleach
- Feminine Hygiene Products
- Non-Medical Grade Face Mask
- Books
- Hand Sanitizer
- Dental Supplies
- N95 Masks
- Diaper Kits
- Dental Kits for Adults and Children
- Toothbrushes

*Alameda County Office of Education sites represent potential partnerships

First 5 Alameda County Commissioners

Renee Sutton Herzfeld, Chair
Cecilia Oregón Echeverría, Vice Chair
District 4 Supervisor Wilma Chan
Scott Coffin

Lori Cox
Tomás A. Magaña
Karina Moreno
Kimi Watkins-Tartt



5.2 million essential supply items were distributed across Alameda County between April and September 2020



1,476,920
diapers



261,400
gloves



8,076
books



1,420
liters of hand sanitizer



15,702
toothbrushes

3,232,700
baby wipes

19,030
KN95 masks

1,040
pre-school learning
backpacks

48,264
feminine hygiene products

9,976
tubes of toothpaste

7,447
gallons of cleaning solution

99,316
non-medical grade masks

1,986
dry erase boards, markers,
and erasers

9,851
bags for supply distribution

8,781
containers of floss

952
spray bottles

3,850
digital thermometers

3,328
coloring books and packs of
crayons

4,316
preschool
flashcards

5,571
other educational materials



Phase II Supply Distribution Sites

First 5's supply distribution efforts have moved into a new phase, whereby supplies will be delivered directly to sites. The below are our monthly distribution location partners for this effort through June 2021.

| Site | Shipping Address | October Delivery Dates |
|---|---|--|
| Fremont Family Resource Center | 39155 Liberty Street, Suite A100 Fremont, CA 94538 | 9/29/2020 (always delivered the month before for a 1 st of the month distribution) |
| Hively | 6601 Owens Drive, Suite 100 Pleasanton, CA 94588 | 10/8/2020 (Normally delivered the first Tuesday of the month, but we reschedule due to delivery challenges) |
| San Antonio Park (Recreation Center) | 1701 E. 19th Street Oakland, CA 94606 | 10/8/2020 (Normally delivered the first Tuesday of the month, but we reschedule due to delivery challenges) |
| Union City Family Center | 725 Whipple Road Union City, CA 94587 | 10/5/2020 (Delivered the first Monday of the month) |
| 4Cs | 22351 City Center Drive Hayward, CA 94541 | 10/13/2020 (Delivered the second Tuesday of the month) |
| Youth Uprising | 8711 MacArthur Blvd. Oakland, CA 94605 | 10/13/2020 (Delivered the second Tuesday of the month) |
| Prescott Joseph Food Pantry | 1640 10th Street Oakland, CA 94607 | 10/16/2020 (Delivered the third Friday of the month) |
| BANANAS | 5232 Claremont Ave Oakland, CA 94618 | TBD |
| Roots Community Health Center - Pediatric Clinic | 7272 MacArthur Blvd Oakland, CA 94605 | 10/15/2020 (Delivered the third Thursday of the month) |



Draft October 2020

2021 MEETING CALENDAR

MEETING DATES ARE SUBJECT TO CHANGE. MEMBERS OF THE PUBLIC CAN CALL 510-227-6900 TO VERIFY DATE AND TIME.
 ALL MEETINGS WILL BE HELD AT THE FIRST 5 OFFICE: 1115 ATLANTIC AVENUE, ALAMEDA, CA 94501
 UNLESS OTHERWISE INDICATED IN ADVANCE OF THE MEETING

| MONTH | EXECUTIVE COMMITTEE 9:00 AM – 10:30 AM | COMMISSION 9:00 AM - 11:30 AM | AGENDA ITEMS (SUBJECT TO CHANGE) |
|----------|---|----------------------------------|---|
| FEBRUARY | Thursday, February 18 | Thursday, February 25 | <ul style="list-style-type: none"> Election of Officers Mid-Year Budget Modification Mid-Year Investment Update Investment Policy Revisions |
| APRIL | Thursday, April 15 | Thursday, April 22 | <ul style="list-style-type: none"> First reading of FY 2021-22 Budget First reading of FY 2021-22 Strategic Plan First reading of Long-Range Financial Plan First 5 CA Annual Report |
| JUNE | Thursday, June 17 | Thursday, June 24 | <ul style="list-style-type: none"> Final approval of FY 2021-22 Budget Contract Authorizations Final Approval of FY 2021-22 Strategic Plan Final Reading of Long-Range Financial Plan Financial Policies Revisions ACERA 401(h) Approval Personnel Policies Revisions GASB 54 Fund Balance Commitment |
| AUGUST | Thursday, August 12 | Thursday, August 19 | <ul style="list-style-type: none"> TBD |
| OCTOBER | Thursday, October 7 | Thursday, October 14 | <ul style="list-style-type: none"> FY 2020-21 Financial Audit Report |
| DECEMBER | Thursday, December 9 | Thursday, December 16 | <ul style="list-style-type: none"> F5AC Annual Report to First 5 CA F5AC Annual Report |



To: First 5 Alameda County Commission

From: Christine Hom, Finance Officer

Date: October 15, 2020

Subject: Adoption of FY 2019-20 Financial Audit

REQUESTED ACTION

To review and adopt the FY 2019-20 financial audit.

BACKGROUND

It is a requirement of the Proposition 10 statute and First 5 California that each First 5 county commission conduct an audit and submit its corresponding audit report to First 5 California and the State Controller's Office by November 1st of each year.

AREAS COVERED BY FY 2019-20 FINANCIAL AUDIT:

The audit firm of RS Associates conducted the FY 2019-20 financial and expanded audits (for state compliance) and has provided an unqualified opinion.

The audit process included internal controls testing of the following areas:

- a. Cash disbursements, including appropriate documentation, authorization and a comprehensive review of grants and contracts
- b. Payroll (tying to general ledger, timesheets, I-9s, offer letters)
- c. Revenues, including sending confirmation letters
- d. Receivables from Prop 10 tobacco tax and other sources
- e. Accrued liabilities and confirmation of subsequent payments
- f. Cash receipts
- g. Individual accounts on the general ledger
- h. Bank reconciliations
- i. Confirming cash in County Treasury and investments with money managers
- j. Prepaid expense accounts
- k. Accrued vacation
- l. All expense accounts and analysis of variances
- m. Investment disclosure

- n. Lease disclosure
- o. Preparation of Restricted Funds presentation
- p. Fixed Assets and preparation of schedule
- q. Review of Retirement Disclosure
- r. Development of Year-end Financial Statements
- s. Expanded compliance audit (related to SB 35 and AB 109)
 - i. Contracting and procurement
 - ii. Administrative costs
 - iii. Conflict of interest
 - iv. County ordinance
 - v. Long range financial plan
 - vi. Financial condition of the commission
 - vii. Program evaluation
 - viii. Salaries and benefits policies

The sections of the audit package are as follows:

- Independent Auditor’s Report
- Management’s Discussion and Analysis:
- Financial Statements including Statement of Net Position and Statement of Activities
- Governmental Fund Statements including 1. Balance Sheet, 2. Reconciliation of Balance to Net Assets, 3. Statement of Revenues, Expenditures and Changes in Fund Balance, 4. Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities
- Notes to Financial Statements
- Supplementary Schedule of Revenue and Expenditures by Fund Source
- Independent Auditor’s report on internal controls
- Independent Auditor’s report on state compliance
- Status of prior year findings (there were no findings)

The final audit report will be presented to the Commission by Ragini Singh of RS Associates on Thursday, October 15, 2020.

RECOMMENDATION

That the Commission adopt the FY 2019-20 financial audit.

Submitted by:

DocuSigned by:

5659DF0B756A46A

Christine Hom
Finance Officer

Reviewed by:

DocuSigned by:

ED639B4561544E4...

Kristin Spanos
Chief Executive Officer



RS Associates CPA
Where Clients Come First

FIRST 5 ALAMEDA COUNTY
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED JUNE 30, 2020

FIRST 5 ALAMEDA COUNTY
JUNE 30, 2019

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
First 5 Alameda County
Alameda, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of the First 5 Alameda County, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the First 5 Alameda County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the First 5 Alameda County as of June 30, 2020, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule, notes to the budgetary data, schedule of proportionate share of the net pension liability and OPEB liability and schedule of contributions of pension and OPEB, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the First 5 Alameda County's basic financial statements. The schedule of revenues and expenditures by fund source and fund balance of CCFC funds for First 5 Programs listed in the table of contents is presented for purposes of additional analysis and is not required part of the basic financial statements.

The schedule of revenue and expenditures by fund source and fund balance of CCFC funds for First 5 Programs is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated October 12, 2020, on our consideration of the First 5 Alameda County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the First 5 Alameda County's internal control over financial reporting and compliance.

The image shows a handwritten signature in dark ink. The signature consists of the letters 'RS' followed by the word 'Associates'. The 'R' and 'S' are large and stylized, with the 'S' having a long, sweeping tail that extends to the right. The word 'Associates' is written in a cursive, flowing script.

San Ramon, California

October 12, 2020

**FIRST 5 ALAMEDA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

This Management's Discussion & Analysis is intended to serve as a narrative overview and analysis of the financial activities of First 5 Alameda County for the year ended June 30, 2020. The information presented should be read in conjunction with the information furnished in the financial statements and notes to the financial statements (beginning on page 10).

FINANCIAL HIGHLIGHTS

- At the end of the Fiscal Year (FY) 2019-2020, First 5 Alameda County had assets of \$46.2 million and liabilities of \$12.8 million. The assets consist primarily of \$35.3 million in cash and investments and \$4.2 million in capital assets. Total liabilities consist primarily of \$3 million in accounts payable and accrued liabilities and \$7.8 million in net pension liability, resulting in a net position of \$33.3 million which was available to meet First 5 Alameda County's ongoing operating expenses.
- During 2019-20, First 5 Alameda County revenues were approximately \$21.3 million, representing an increase over the prior year. Total expenditures were \$21.5 million compared to \$18.1 million in the prior year.
- Revenue from the Proposition 10 tobacco tax measure was \$12.6 million, an increase of approximately \$500,000 from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The First 5 Alameda County financial statements include the statement of net position, statement of activities and the statement of revenues, expenses and changes in fund balance – budget and actual. Notes to the financial statements are also included.

The statement of net position provides information about the financial position of First 5 Alameda County as a whole on full accrual basis, similar to that used in the private sector. The statement of activities provides information about First 5 Alameda County's revenues and all its expenses, also on full accrual basis, with the emphasis on measuring net revenues and expenses of each of First 5 Alameda County's divisions.

The statement of activities explains in detail the change in net position for the year. All First 5 Alameda County's assets and liabilities are current (generally within 12 months).

The statement of revenues, expenses and changes in fund balance – budget and actual, presents First 5 Alameda County's budget comparisons between the original budget and the final amended budget compared with actual resource inflows and outflows.

The notes to the financial statements provide additional information that is essential to a complete understanding of the information provided in the financial statements.

STATEMENT OF NET POSITION

The net position of First 5 Alameda County decreased by \$200,000 from the prior year. The composition of net position as of June 30, 2020 and 2019 is shown in the following table:

| (All Amounts in \$millions) | <u>FY 2020</u> | <u>FY 2019</u> | <u>Change</u> |
|-------------------------------------|----------------|----------------|-----------------|
| Cash and investments | \$ 35.3 | \$ 34.4 | \$ 0.9 |
| Receivables | 6.6 | 5.8 | 0.8 |
| Prepaid expenses | 0.1 | 0.1 | - |
| Capital assets (Net) | 4.2 | 4.3 | (0.1) |
| | <hr/> | <hr/> | <hr/> |
| Total assets | 46.2 | 44.6 | 1.6 |
| | <hr/> | <hr/> | <hr/> |
| Deferred Outflows | 2.4 | 3.9 | (1.5) |
| Accrued payroll & employee benefits | 0.3 | 0.2 | 0.1 |
| Other accrued liabilities | 4.6 | 4.0 | 0.6 |
| Net pension liability | 7.9 | 10.1 | (2.2) |
| | <hr/> | <hr/> | <hr/> |
| Total liabilities | 12.8 | 14.3 | (1.5) |
| | <hr/> | <hr/> | <hr/> |
| Deferred Inflows | 2.4 | 0.6 | 1.8 |
| Net position | \$ <u>33.3</u> | \$ <u>33.5</u> | \$ <u>(0.2)</u> |

Fiscal year 2019-2020 is the fourteenth full year of investment of funds outside of the Alameda County Treasury’s investment pool. The fair market value of these investments was \$29.9 million as of June 30, 2020. During FY 2019-2020 fees charged by money managers and custodial services totaled \$35,242 compared to \$33,939 in the prior year, an increase of \$1,303. Recent economic indicators show that the economy remains strong which speaks favorably for future performance of the portfolio. Investment Earnings increased to \$1,598,101 in FY 2019-20 which includes a net unrealized gain of \$863,520.

Receivables primarily consist of Prop 10 tobacco taxes (May and June 2020 are typically received after the end of the fiscal year). The recognition of our net pension liabilities, in accordance with the reporting requirements of Governmental Accounting Standards (GASB 68) that became effective in FY 2014-15 is based on an actuarial valuation of pension plan assets and liabilities provided by the Alameda County Employee Retirement Association (ACERA), which administers our pension plan. Deferred inflows and outflows relate to the net pension liability of \$7.8 million that was recognized in the current fiscal period in accordance with GASB 68. This liability reduces the net position as of the end of the fiscal year but has no effect on fund balance. The notes to the financial statements provide a full accounting of all deferred inflows and outflows related to this liability.

STATEMENT OF ACTIVITIES

During the year ended June 30, 2020, First 5 Alameda County's net position decreased by approximately \$200,000 from the prior year. This change in net position is shown in the following table:

| (All amounts in \$millions) | <u>FY 2020</u> | <u>FY 2019</u> | <u>Change</u> |
|---------------------------------|----------------|----------------|---------------|
| Total program revenues | \$ 7.8 | \$ 6.6 | \$ 1.2 |
| Total program expenses | 22.4 | 19.4 | 3.0 |
| | <hr/> | <hr/> | <hr/> |
| Program loss | (14.6) | (12.8) | (1.8) |
| General revenues | 14.4 | 13.7 | 0.8 |
| | <hr/> | <hr/> | <hr/> |
| Change in net position | (0.2) | 0.9 | (1.1) |
| Net position, beginning of year | 33.5 | 32.6* | 0.9 |
| | <hr/> | <hr/> | <hr/> |
| Net position, end of year | \$ 33.3 | \$ 33.5 | \$ (0.2) |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

*Adjusted for pension liability

Program Revenues primarily include: \$100,000 from The Center for Social Policy, \$140,000 from donations for the Fatherhood Summit, \$235,000 from Sunlight Giving, \$3.1 million from inter-agency sources within Alameda County, \$2 million from First 5 California for the IMPACT program and other First 5 California sources for related programs, a total of \$2.2 million from all federal sources and \$1.5 million for MediCal Administrative Activities (MAA) accounting for invoices submitted in prior years. MAA reimbursements for FY 2018-19 were invoiced earlier this year and are expected to be received in FY 2020-21 due to processing delays at the State Department of Health Care Services.

FY 2019-20 represents the third year of the FY 2017-22 5-year strategic plan. Total Program Expenses increased by \$3.9 million from the prior year. Total Program Revenues increased by approximately \$1.1 million. Prop 10 tobacco tax revenues increased by \$539,576 over the prior year however are expected to decline an average of 2.5%-3.5% annually for the foreseeable future. FY 2019-20 was the third year that Prop 56 tobacco tax revenues were received in the amount of approximately \$2.9 million compared to \$1.2 million in the prior year. Tobacco taxes are allocated to counties in proportion to the number of births in each county. In addition to the Alameda County birth rate, tobacco tax allocations are affected by a variety of factors including statewide tobacco sales, tax collection methods, birth rate changes in the other counties and new tobacco related legislation.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

At mid-year, the Commission authorized an increase of \$1,683,216 to the operating budget resulting in a final budget of \$24,785,906.

COMPARISON OF BUDGET TO ACTUAL

The following table presents a budget to actuals comparison of revenues and expenditures for the current fiscal year.

(All amounts in \$ millions)

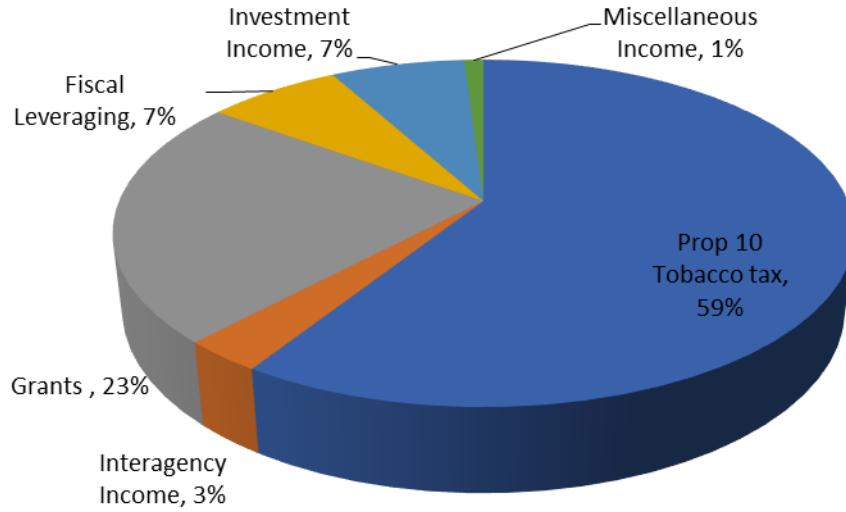
| | <u>Final Budget</u> | <u>Actuals</u> | <u>**Variance</u> |
|---|-------------------------|-----------------|-------------------|
| Revenues: | | | |
| Prop 10 Tobacco tax | \$ 11.4 | \$ 12.6 | \$ 1.2 |
| Sustainability fund | 5.5 | 0 | (5.5) |
| Interagency income | 1.0 | 0.6 | (0.4) |
| Grants | 4.8 | 4.7 | (0.1) |
| Fiscal leveraging | 1.5 | 1.5 | - |
| Investment income | 0.3 | 1.6 | 1.3 |
| Miscellaneous income | 0.0 | 0.1 | .1 |
| Total revenues | \$ 24.7 | \$ 21.3 | \$ (3.4) |
| Expenditures: | | | |
| | <u>Budget</u> | <u>Actuals</u> | <u>**Variance</u> |
| Personnel | \$ 9.9 | \$ 9.0 | 0.9 |
| Program contracts/grants/MOUs | 13.1 | 10.9 | 2.2 |
| Operating expenses | 0.7 | 0.6 | 0.1 |
| General expenses | 1.0 | 1.0 | - |
| Total expenditures | \$ 24.7 | \$ 21.5 | \$ 3.2 |
| Excess of expenditures over revenues | \$ 0 | \$ (0.2) | \$ (0.2) |

** Cost savings and higher than budgeted revenues are shown as positive variances.

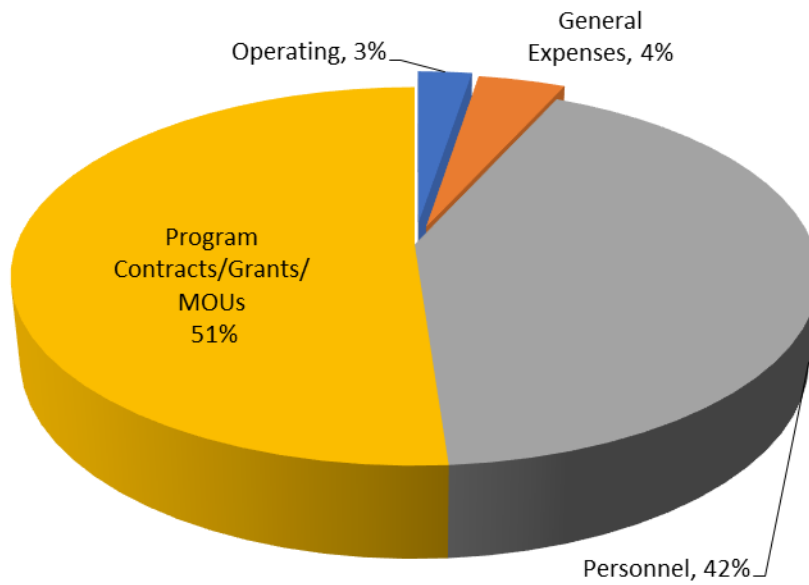
The final budget anticipated a drawdown of \$5.5 million from the Sustainability Fund for FY 2019-2020 for agency program and operations. However, largely due to savings in personnel and contract expenditures, as well as an increase in Prop 56 revenue reserves from the Sustainability Fund were not used. The Sustainability Fund is First 5 Alameda County’s reserve fund which was set aside to cover expenditures and future costs as the expected decline of tobacco tax revenue occurs.

Following are graphs of First 5 Alameda County's revenue by source and expenditures by category for FY 2019-2020:

FY 2019-20 ACTUAL REVENUE BY SOURCE



FY 2019-20 ACTUAL EXPENDITURES



SUMMARY OF KNOWN FACTS, DECISIONS OR CONDITIONS

The following are currently known facts, decisions or conditions that are expected to have a significant impact on the financial position or changes in financial position of First 5 Alameda County:

Tobacco tax receipts for First 5 Alameda County for FY 2019-20 show an increase of \$539,576 from the prior year. Tobacco tax revenue projections are based on California Department of Finance and Tax Administration and First 5 California projections for county commissions and based largely on birth rates in each county and tobacco consumption rates. State revenue projections and backfill projections increased due to the passage of Proposition 56 in 2016 which levied a \$2 increase on tobacco products including e-cigarettes which assumed a greater amount of backfill due to the inclusion of e-cigarettes.

FY 2019-20 represented the third year of the five-year FY 2017-22 strategic plan. The Strategic Plan includes ten core strategies that integrate the many different services and supports focused on specific target populations and outcomes. Due to the anticipated decline in tobacco tax revenues, planned program reductions will be reflected in the latter years of the agency's long-range financial plan.

All of the above factors were considered in preparing First 5 Alameda County's budget for FY 2019-2020.

REQUESTS FOR INFORMATION

The annual financial report is designed to provide a general overview of the First 5 Alameda County's finances and operations. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Kristin Spanos, Chief Executive Officer, First 5 Alameda County, 1115 Atlantic Avenue, Alameda, CA 94501.

FIRST 5 ALAMEDA COUNTY
STATEMENT OF NET POSITION
JUNE 30, 2020

Assets:

| | | |
|--|----|-----------------------|
| Cash and investments (Note 2) | \$ | 35,314,149 |
| Tobacco taxes receivable | | 1,546,733 |
| Other receivables | | 4,959,529 |
| Interest receivable | | 152,882 |
| Prepaid expenses | | 34,149 |
| Capital assets, net (Note 3) | | <u>4,199,390</u> |
| Total assets | | <u>46,206,832</u> |
| Deferred outflows of resources | | |
| Related to pension | | 2,159,591 |
| Related to OPEB | | <u>246,320</u> |
| Total deferred outflows of resources | | <u>2,405,911</u> |

Liabilities:

| | | |
|--|--|-----------------------|
| Accrued payroll | | 169,618 |
| Employee benefits payable | | 163,773 |
| Accrued vacation | | 496,768 |
| Accounts payable and accrued liabilities | | 3,043,191 |
| Unearned revenue | | 625,629 |
| Net OPEB liability | | 445,283 |
| Net pension liability | | <u>7,872,042</u> |
| Total liabilities | | <u>12,816,304</u> |
| Deferred inflows of resources | | |
| Related to pension | | 1,914,733 |
| Related to OPEB | | <u>531,149</u> |
| Total deferred inflows of resources | | <u>2,445,882</u> |

Net position:

| | | |
|----------------------------|----|------------------------------|
| Invested in capital assets | | 4,199,390 |
| Unrestricted | | <u>29,151,167</u> |
| Total net position | \$ | <u><u>33,350,557</u></u> |

The accompanying notes are an integral part of these financial statements

**FIRST 5 ALAMEDA COUNTY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020**

| <u>Functions/Programs</u> | <u>Expenses</u> | <u>Program Revenues</u> Operating Grants and Contributions | <u>Net Expenses</u> |
|-----------------------------------|----------------------|---|-------------------------|
| Governmental activities: | | | |
| Communications | \$ 390,685 | \$ 6,000 | \$ (384,685) |
| Early Identification | 2,827,639 | 459,365 | (2,368,274) |
| Fatherhood | 396,625 | 258,000 | (138,625) |
| Innovation | 65,000 | | (65,000) |
| Neighborhoods Ready for School | 3,466,345 | 935,178 | (2,531,167) |
| Policy & Evaluation | 1,954,490 | 47,100 | (1,907,390) |
| Parent Engagement/Parent Support | 2,700,984 | 669,801 | (2,031,183) |
| Quality Early Childhood Education | 3,732,727 | 3,066,751 | (665,976) |
| Training | 478,533 | | (478,533) |
| Community Resilience Support | 2,261,990 | 30,000 | (2,231,990) |
| Administration | 4,109,823 | 2,305,628 | (1,804,195) |
| Total governmental activities | <u>\$ 22,384,841</u> | <u>\$ 7,777,823</u> | <u>(14,607,018)</u> |
| General revenues: | | | |
| Tobacco tax | | | 12,672,035 |
| Investment earnings | | | 1,598,101 |
| Miscellaneous | | | <u>151,346</u> |
| Total general revenues | | | <u>14,421,482</u> |
| Change in net position | | | (185,536) |
| Net position - beginning | | | <u>33,536,093</u> |
| Net position - ending | | | <u>\$ 33,350,557</u> |

The accompanying notes are an integral part of these financial statements

**FIRST 5 ALAMEDA COUNTY
BALANCE SHEET - GOVERNMENTAL FUND
JUNE 30, 2020**

Assets:

| | | |
|---|--------|------------------------------|
| Cash and investments | \$ | 35,314,149 |
| Tobacco taxes receivable | | 1,546,733 |
| Interest receivable | | 152,882 |
| Other receivables | | 4,959,529 |
| Prepaid expenses | | <u>34,149</u> |
| Total assets | | <u>42,007,442</u> |
| Total assets and deferred outflows of resources | \$ | <u><u>42,007,442</u></u> |

Liabilities:

| | | |
|---|----|----------------------|
| Accrued payroll | \$ | 169,618 |
| Payroll taxes and employee benefits payable | | 163,773 |
| Unearned revenue | | 625,629 |
| Accounts payable and accrued liabilities | | <u>3,043,191</u> |
| Total liabilities | | <u>4,002,211</u> |
| Deferred inflows of resources | | |
| Unavailable revenue | | <u>2,437,261</u> |

Fund balance:

| | | |
|---|--------|------------------------------|
| Nonspendable: | | |
| Non-spendable | | 34,149 |
| Committed: | | |
| Program contracts | | 9,368,960 |
| Assigned | | 26,164,861 |
| Total fund balance | | <u>35,567,970</u> |
| Total liabilities, deferred inflows of resources and fund balance | \$ | <u><u>42,007,442</u></u> |

The accompanying notes are an integral part of these financial statements

FIRST 5 ALAMEDA COUNTY
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2020

| | | |
|---|----|--------------------------|
| Total governmental fund balance | \$ | 35,567,970 |
| Amounts reported in governmental activities in the statement of net position | | |
| Accrued vacation not treated as an expenditure in governmental funds | | (496,768) |
| Some liabilities, including net pension obligations, are not due and payable in the current period and therefore are not reported in the funds | | (7,872,042) |
| Some liabilities, including net OPEB obligations, are not due and payable in the current period and therefore are not reported in the funds | | (445,283) |
| Revenues which are deferred inflows on the fund financial statements because they are not currently available, are reported as revenue in the Government-wide Statement of Activities | | 2,437,261 |
| Deferred outflows and inflows or resources related to pensions and OPEB are applicable to future periods and therefore, are not reported in the funds | | |
| Deferred outflows of resources related to pensions. | | 2,159,591 |
| Deferred outflows of resources related to OPEB. | | 246,320 |
| Deferred inflows of resources related to OPEB | | (531,149) |
| Deferred inflows of resources related to pension | | (1,914,733) |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund. | | <u>4,199,390</u> |
| Total net position - governmental activities | \$ | <u><u>33,350,557</u></u> |

The accompanying notes are an integral part of these financial statements

FIRST 5 ALAMEDA COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2020

REVENUES:

| | |
|--|-------------------|
| Prop 10 Tobacco tax | \$ 12,672,035 |
| Interagency income | 652,034 |
| Grants: | |
| Federal | 2,250,644 |
| State | 1,970,303 |
| Private | 514,269 |
| Fiscal Leveraging: | |
| Medi-Cal Administrative Activities (MAA) | 1,569,586 |
| Investment income | 1,598,101 |
| Miscellaneous income | 151,346 |
| Total revenues | <u>21,378,318</u> |

EXPENDITURES:

| | |
|----------------------------------|----------------------|
| Personnel: | |
| Salaries | 6,009,657 |
| Benefits | <u>3,072,215</u> |
| Sub-total | <u>9,081,872</u> |
| Program Contracts/Grants/MOU's: | |
| Contracts | 10,373,311 |
| Grants | 293,552 |
| Child development corps stipends | - |
| Training stipends | 167,750 |
| Professional services contracts | <u>89,141</u> |
| Sub-total | <u>10,923,754</u> |
| Training expenses: | |
| Copy/printing | 24,932 |
| Food/hospitality | 45,266 |
| Space rental | 9,826 |
| Honoraria | 16,965 |
| Postage | 7,150 |
| Professional services | 83,985 |
| Supplies | 327,884 |
| Travel | 48,376 |
| Employee cell phones | - |
| Staff development/training | <u>23,115</u> |
| Sub-total | <u>587,499</u> |
| General expenses: | |
| Communications | 263,848 |
| Copying/printing | 18,659 |
| Equipment purchase | 120,332 |
| Postage | 3,893 |
| Insurance | 32,670 |
| Membership | 84,708 |
| Professional services | 264,750 |
| Space rental | 10,111 |
| Utilities | 67,033 |
| Janitorial services | 44,986 |
| Dues and taxes | 15,089 |
| Maintenance | 18,390 |
| Supplies | - |
| Miscellaneous expenses | <u>-</u> |
| Sub-total | <u>944,469</u> |
| Total expenditures | <u>21,537,594</u> |
| Net change in fund balance | (159,276) |
| Fund balance - beginning of year | <u>35,727,246</u> |
| Fund balance - end of year | <u>\$ 35,567,970</u> |

The accompanying notes are an integral part of these financial statements

FIRST 5 ALAMEDA COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

| | | |
|---|----|-------------------------|
| Net change in governmental fund balance | \$ | (159,276) |
| are different because: | | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the depreciation exceeds the capital outlays in the current period. | | (159,050) |
| Earned revenues which are deferred on the fund financial statements because they are not currently available, are reported as revenue. | | 820,987 |
| Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefit earned net of employee contributions is reported as pension expense | | (538,560) |
| Governmental funds report district OPEB contributions as expenditures. However, in the Statement of Activities, the cost of pension benefit earned net of employee contributions is reported as pension expense | | (70,764) |
| Change in compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. | | <u>(78,873)</u> |
| Change in net position of governmental activities | \$ | <u><u>(185,536)</u></u> |

The accompanying notes are an integral part of these financial statements

FIRST 5 ALAMEDA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Background - First 5 Alameda County was established in accordance with California Health and Safety Code Section 130140, which was enacted as a result of the passage of the California Children and Families Act of 1998 (Proposition 10). This act levies a 50-cent tax on tobacco products, of which 80 percent of the revenues are distributed to county commissions established specifically to fund programs for the purposes of promoting, supporting, and improving the early development of children from the prenatal stage to five years of age. Information on the Commission can be found on the Internet at <http://www.first5alameda.org/>.

Government-wide financial statements (i.e. the statement of net assets and the statement of activities) report information on all governmental activities using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of position presents First 5 Alameda County's assets, deferred outflows, liabilities and deferred inflows, with the difference reported as net position. Net position is reported in three categories.

- *Investment in capital assets* consist of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. There were no unrestricted net position.
- *Unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

The statement of activities demonstrates the degree to which direct expenses of each program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Indirect expenses are allocated to programs based on the percentage of costs per program to total costs. Program revenues include grants and contributions that are restricted to meeting the operational requirements of a program. Tobacco taxes are reported as general revenues.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available within the current period or soon enough thereafter to pay liabilities of the current period. First 5 Alameda County uses a 90-day availability period for revenue recognition for all governmental fund revenues.

FIRST 5 ALAMEDA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

All revenues are considered susceptible to accrual. Revenues include fiscal leveraging which consists of revenue from federal Title 19 funds for services to people who are eligible for or who receive Medi-Cal. Revenue is provided on a reimbursement basis for programs with eligible activities. Federal funding sources include Medi-Cal Administrative Activities (MAA). Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

When both restricted and unrestricted resources are available for use, it is First 5 Alameda County's policy to use restricted resources first.

First 5 Alameda County uses a General Fund to account for all its activities.

Fund Balance – Following is a description of the Commission's fund balance classifications:

- **Nonspendable** – Includes amounts that cannot be spent because they are either (a) not in spendable form (inventories, prepaid amounts, etc.) or (b) legally or contractually required to be maintained intact (such as the corpus of principal of a permanent fund).
- **Restricted** – Includes amounts with constraints that are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislations.
- **Committed** – Includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of First 5 Alameda County Board. Those committed amounts cannot be used for any other purpose unless First 5 Alameda County Board removes or changes the specified use by taking the same type of action (legislation, resolution, ordinance) it employed to previously commit those amounts. First 5 Alameda County establishes grants allocation amounts for specific programs and/or recipient by formal Commission Board vote.
- **Assigned** – Includes amounts First 5 Alameda County intends to be used for specific purposes that are neither restricted nor committed.
- **Unassigned** – Resources that cannot be reported in any other classification.

First 5 Alameda County applies restricted resources first when an expense is incurred for purposes for which both restricted and other funds are available, then First 5 Alameda County applies amount to the committed fund balance followed by assigned and then unassigned.

First 5 Alameda County uses a General Fund to account for all its activities.

FIRST 5 ALAMEDA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Capital Assets – Capital assets, which consist of furniture and equipment, are reported in the government-wide financial statements. Capital assets are defined by First 5 Alameda County as assets with an initial, individual cost of more than \$5,000, and an estimated useful life of more than one year. Such assets are recorded at cost and depreciated using the straight-line method over the estimated useful lives of all assets ranging from 5 to 27.5 years.

Compensated Absences – It is First 5 Alameda County’s policy to permit employees to accumulate earned but unused vacation, sick and paid time-off benefits. The total amount of the compensated absences liability is recorded in the government –wide financial statement and compensated absences expense is charged to the various departments.

Pensions - For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of First 5 Alameda County’s Alameda County Employees’ Retirement Association (ACERA) plan and additions to/deductions from the Plans’ fiduciary net position have been determined on the same basis as they are reported by ACERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post Employment Benefits (OPEB) - For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and pension expense, information about the fiduciary net position of First 5 Alameda County’s Alameda County Employees’ Retirement Association (ACERA) plan and additions to/deductions from the Plans’ fiduciary net position have been determined on the same basis as they are reported by ACERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Unearned Revenue/Deferred Inflows of Resources – Unavailable Revenues

In the government-wide and government fund financial statements, unearned revenue is recognized for transactions for which revenue has not yet been earned. Typically, transactions recorded as unearned revenues are grant advances and prepaid charges for services.

Under the modified accrual basis of accounting, revenue is recognized in the fund financial statements if it has been collected after year-end within the Commission’s established availability period of 90 days. All other accrued revenues due to the Commission are recognized as unavailable revenue at year – end in the fund financial statements. Governmental funds recognized unavailable revenue where receivables are not available to liquidate liabilities of the current period. Unavailable revenues of \$2,437,261 was recognized as revenue in the government wide financial statements.

Income Taxes – First 5 Alameda County is an instrumentality of the State of California. It is exempt from income taxes under Revenue Code Section 115.

**FIRST 5 ALAMEDA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Use of Estimates – The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2: CASH AND INVESTMENTS

The following is a summary of deposits and investments as of June 30, 2020:

| | Investment Maturities in Years | | | Total Fair Value | Moody's Credit Rating | Portfolio Allocation |
|-----------------------------------|--------------------------------|----------------------|----------------------|------------------------|-----------------------------|-------------------------|
| | Less than 1 | 1-3 | 3-5 | | | |
| Cash and cash deposits: | \$ | \$ | \$ | \$ 4,231,727 | Not rated | 12% |
| Investments: | | | | | | |
| Investment in County pool | 1,086,601 | | | 1,086,601 | Not rated | 3% |
| Money market mutual funds | 53,119 | | | 53,119 | Aaa | |
| Municipal bonds | | | 368,070 | 368,070 | Aa2 | 1% |
| U.S. Treasury obligations | | 2,914,542 | 3,558,095 | 6,472,637 | Aaa | 18% |
| Federal agency securities | 1,453,480 | 5,231,924 | 5,442,135 | 12,127,539 | Aaa | 35% |
| Supernational | 550,913 | 818,267 | | 1,369,180 | Aaa | 4% |
| Asset backed security | | 486,967 | 937,804 | 1,424,771 | See below | 4% |
| Corporate bonds and notes | 1,678,155 | 3,114,949 | 3,387,401 | 8,180,505 | See below | 23% |
| Total investments | \$ 4,822,268 | \$ 12,566,649 | \$ 13,693,505 | 31,082,422 | | 88% |
| Total cash and investments | | | | \$ 35,314,149 | | <u>100%</u> |

The asset backed securities funds were rated by Moody's at June 30, 2020 as follows:

| | |
|-----|---------------------|
| Aaa | \$ 1,281,155 |
| NR | <u>143,616</u> |
| | <u>\$ 1,424,771</u> |

The corporate bonds and notes were rated by Moody's at June 30, 2020 as follows:

| | |
|-----|---------------------|
| A1 | \$ 1,985,204 |
| A2 | 3,236,752 |
| A3 | 1,443,333 |
| Aa1 | 419,770 |
| Aa2 | 264,760 |
| Aa3 | 381,133 |
| Aaa | <u>449,553</u> |
| | <u>\$ 8,180,505</u> |

FIRST 5 ALAMEDA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses from rising interest rates, First 5 Alameda County’s investment policy limits the average portfolio maturity to three years. The investment policy states that First 5 Alameda County shall not directly purchase securities maturing more than six years from the date of purchase, unless matched to a specific cash flow.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. First 5 Alameda County’s investment policy limits investments to (a) U.S. Treasury obligations, (b) federal agency obligations (including notes issued by corporations under the Federal Deposit Insurance Corporation’s Temporary Liquidity Guarantee Program) and (c) securities that, at the time of purchase, are rated or collateralized as follows:

- Collateralized mortgage obligations – Planned Amortization Classes, Level 1, collateralized only by Government National Mortgage Association obligations.
- Domestic corporate bonds and notes rated at least A by Standard and Poors (S&P) or A2 by Moody’s.
- Certificates of deposit, time deposits and banker’s acceptances issued by the top 20 rated domestic banks ranked by total assets, rated at least B/C by the Thomson BankWatch, A-1 by S&P, or P-1 by Moody’s.
- Commercial paper rated A-1 by Standard and Poors or P-1 by Moody’s.
- Repurchase agreements collateralized by U.S. Treasury or government agency securities.
- Local agency obligations rated A-1/P-1 short-term or Aa/AA long-term.

No more than 30% of the portfolio may be invested in each of the following categories of securities:

- Collateralized mortgage obligations
- Domestic corporate bonds and notes
- Negotiable certificates of deposit
- Bankers’ acceptances

- Commercial paper
- Repurchase agreements
- Reverse repurchase agreements
- State of California obligations
- Local agency obligations
- Any other obligation that does not bear the full faith and credit of the U.S. government or which is not fully collateralized or insured.

No more than 70% of the total portfolio may be invested in all the foregoing instruments at any time.

FIRST 5 ALAMEDA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. First 5 Alameda County’s investment policy limits the amount that may be invested in the securities of any one issuer to five percent of the portfolio, except for securities of the U.S. Treasury. First 5 Alameda County has \$1,086,601 invested in the County of Alameda Treasurer’s investment pool at June 30, 2020.

The County’s investment policy limits the investment maximum average maturity to two years; Authorized investments include debts issued by the County; U.S. Treasury securities; bankers’ acceptances; federal, state and local government securities; commercial paper; medium-term corporate notes; negotiable certificates of deposit; state investment pool (Local Agency Investment Fund); money market and mutual funds; mortgage-backed obligations; repurchase agreements; and reverse repurchase agreements. Additional information regarding deposit custodial credit, interest and credit risks, and securities lending transactions of the County investment pool is presented in the notes of the County’s basic financial statements.

Custodial Credit Risk for Deposits – Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities in the possession of an outside party. The Organization places its cash and investments with credit worthy and high quality financial institutions. Cash balance is insured by Federal Deposit Insurance Corporation (FDIC) upto \$250,000. At June 30, 2020, the bank balance of First 5 Alameda County’s bank deposit exceeded FDIC’s insurance limit by \$4,050,711.

Fair Value Measurements

First 5 Alameda County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices quoted in active markets;
- Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active; and,
- Level 3: Investments reflect prices based upon unobservable sources.

FIRST 5 ALAMEDA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

The Pool has the following recurring fair value measurements as of June 30, 2020:

| Investments by fair value level | Fair value measurement using | | | |
|-------------------------------------|---|-----------|---|---|
| | Quoted Price in Active Markets for Identical Assets (Level 1) | in | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Asset backed securities | \$ 1,424,771 | \$ | \$ 1,424,771 | \$ |
| Federal agency securities | 12,127,539 | | 12,127,539 | |
| Municipal Bonds | 368,070 | | 368,070 | |
| Money Market funds FI | 53,119 | 53,119 | | |
| Supranational | 1,369,180 | | 1,369,180 | |
| US Corporate | 8,180,505 | | 8,180,505 | |
| US Treasury | 6,472,637 | | 6,472,637 | |
| Total investments at fair value | 29,995,821 | 53,119 | 29,942,702 | |
| Pooled investments with County | 1,086,601 | | | |
| Total pooled and direct investments | \$ 31,082,422 | \$ 53,119 | \$ 29,942,702 | \$ |

Information regarding fair value of the County investment pool is presented in the notes of the County's basic financial statements.

NOTE 3: CAPITAL ASSETS

A Summary of changes in capital assets recorded in governmental activities follows:

| | Balance June 30, 2019 | Increases | Decreases | Balance June 30, 2020 |
|---|-----------------------------|--------------|-----------|-----------------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 1,096,265 | \$ | \$ | \$ 1,096,265 |
| Total capital assets not being depreciated: | 1,096,265 | | | 1,096,265 |
| Capital assets being depreciated: | | | | |
| Building | 4,148,408 | | | 4,148,408 |
| Furniture and equipment | 113,345 | 11,737 | | 125,082 |
| Total capital assets being depreciated: | 4,261,753 | 11,737 | | 4,273,490 |
| Less accumulated depreciation for: | | | | |
| Building | 930,248 | 150,851 | | 1,081,099 |
| Furniture and Equipment | 69,330 | 19,936 | | 89,266 |
| Total accumulated depreciation | 999,578 | 170,787 | | 1,170,365 |
| Total capital assets being Depreciated, net | 3,262,175 | (159,050) | | 3,103,125 |
| Total capital assets, net | \$ 4,358,440 | \$ (159,050) | \$ | \$ 4,199,390 |

**FIRST 5 ALAMEDA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Depreciation expense for the year ended June 30, 2020 was \$170,787.

NOTE 4: RETIREMENT PLAN

A: Plan Description

First 5 Alameda County provides retirement benefits through the Alameda County Employees' Retirement Association (ACERA). ACERA began operations on January 1, 1948, and is governed by the California Constitution, the County Employees Retirement Law of 1937 and the bylaws, procedures and policies adopted by the Board of Retirement. ACERA operates as a cost-sharing multiple-employer defined benefit plan for Alameda County and participating special districts located in the County, including First 5 Alameda County. ACERA is not under the control of the Alameda County Board of Supervisors.

ACERA provides service and disability retirement benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Benefit and contribution provisions are established by state law and are subject to amendment only by an act of the State of California legislature.

All full-time regular First 5 Alameda County employees are required by statute to become members of ACERA. Membership for these employees is effective on the first day of the second pay period following the employee's hire date. Safety membership includes employees who are in active law enforcement, probation officers and juvenile hall counselors. General membership includes all other eligible classifications. As of June 30, 2020, 71 First 5 Alameda County employees are members of ACERA, and all members are General members.

General members enrolled in Tiers 1, 2 or 3 are eligible to retire once they attain the age of 70 regardless of service or at age 50 with five or more years of retirement service credit and a total of 10 years of qualifying membership. A non- Tier 4 General member with 30 years of service is eligible to retire regardless of age. General members enrolled in Tier 4 are eligible to retire once they have attained the age of 52 and have acquired five years of retirement credit, or at age 70 regardless of service.

The retirement benefits the member will receive is based upon age of retirement, final average compensation, years of retirement service credit and retirement plan and tier.

The Tiers and their basic provisions are listed below:

| Tier Name | Service Retirement Governing Code | Effective Date | Basic Provisions | Final Average Salary Period | |
|----------------|-----------------------------------|-----------------|-----------------------------|-----------------------------|----|
| General Tier 1 | 31676.12 | Various | 2% at 57; maximum 3% COLA | Highest 1-year | 1- |
| General Tier 2 | 31676.1 | June 30, 1983 | 2% at 61; maximum 2% COLA | Highest 3-year | 3- |
| General Tier 4 | 7522.2 | January 1, 2013 | 2.5% at 67; maximum 2% COLA | Highest 3-year | 3- |

For members enrolled in Tiers 1 and 2 the maximum monthly retirement allowance is 100% of final compensation. There is no maximum for members enrolled in Tier 4.

FIRST 5 ALAMEDA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

The member may elect an unmodified retirement allowance, or choose an optional retirement allowance. The unmodified retirement allowance provides the highest monthly benefit and a 60% continuance to an eligible surviving spouse to domestic partner. There are four optional retirement allowances the members may choose. Each of the optional retirement allowances requires a reduction in the unmodified retirement allowance in order to allow the member the ability to provide certain benefits to a surviving spouse, domestic partner, or names beneficiary having an insurable interest in the life of the member.

ACERA financial report. ACERA’s financial statements and required supplementary information are audited annually by independent auditors. The audit report and December 31, 2019 financial statements may be obtained by writing to Alameda County Employees’ Retirement Association, 475 14th Street, Suite 1000, Oakland, CA 94612

Contributions – The participating agencies contribute to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from ACERA’s actuary after the completion of the annual actuarial valuation. The average employer contribution rate as of December 31, 2019 was 27.60% of compensation.

Members are required to make contributions to ACERA regardless of the retirement plan or tier in which they are included. The average member contribution rate as of December 31, 2019 was 9.53% of compensation.

B: Pension liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2020, First 5 Alameda County reported net pension liabilities for its proportionate shares of the net pension liability as follows:

| | | |
|---------|------------------------|-----------|
| | Proportionate Share of | |
| | Net Pension Liability | |
| General | \$ | 7,872,042 |

The net pension liability (NPL) is allocated based on the actual employer contributions. The steps used for allocation are as follows:

- First calculate the ratio of the employer’s contributions to the total contributions to the membership class.
- This ratio is multiplied by the NPL for the membership class to determine the employer’s proportionate share of the NPL for the membership class.

If the employer is in several membership classes, the employer’s total allocated NPL is the sum of its allocated NPL to the total NPL of all employers.

The reporting date and the measurement date for the plan under GASB 67 are December 31, 2019. Consistent with the provisions of GASB 68, the assets and liabilities measured as of December 31, 2019 are not adjusted or “rolled forward” to the June 30, 2020 reporting date. Other results such as the total deferred inflows and outflows would also be allocated on the same proportionate share determined above. First 5 Alameda County’s proportionate share of the net pension liability for the plan as of December 31, 2018 and 2019 was as follows:

| | |
|--------------------------------|--------|
| Proportion – December 31, 2018 | 0.379% |
| Proportion – December 31, 2019 | 0.368% |

FIRST 5 ALAMEDA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

For the year ended June 30, 2020, First 5 Alameda County recognized pension expense of \$1,795,411. At June 30, 2020, First 5 Alameda County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Pension contributions subsequent to measurement date | \$ 635,323 | \$ |
| Changes in proportion and differences between employer's contributions and proportionate share of contributions | 591,593 | |
| Change in assumptions | 861,018 | |
| Changes in proportion and differences between employer's contributions and proportionate share of contributions. | | (17,133) |
| Changes of assumptions | | (108,643) |
| Difference between projected and actual earnings on pension plan investments | | (1,652,012) |
| Difference between expected and actual experience in the Total Pension Liability | 71,657 | (136,945) |
| | <hr/> | <hr/> |
| Total | \$ <u>2,159,591</u> | \$ <u>(1,914,733)</u> |

\$635,323 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| | |
|---------------------|-------------|
| Year ended June 30, | |
| 2021 | \$ (93,805) |
| 2022 | (119,900) |
| 2023 | 293,376 |
| 2024 | (510,896) |
| 2025 | 40,760 |

C: Actuarial Assumptions – The total pension liabilities (TPL) as of December 31, 2019 and December 31, 2018 were measured by actuarial valuations as of December 31, 2018 and December 31, 2017, respectively. The actuarial assumptions used to develop the December 31, 2018 and December 31, 2017 TPLs are the same assumptions used in the December 31, 2019 and December 31, 2018 funding valuations for ACERA, respectively. The following actuarial assumptions were applied to all periods included in the measurement:

FIRST 5 ALAMEDA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

December 31, 2019 and December 31, 2018

| Actuarial Cost Method | Entry-Age Normal Cost Method |
|---------------------------|---|
| Actuarial Assumptions: | |
| Discount rate | 7.25% |
| Inflation | 3.00% |
| Salary Increases | 3.90% to 8.30%, vary by service including inflation |
| Investment rate of return | 7.25%, net of pension plan investment expense, including inflation. |

Details of the underlying mortality assumptions and all other actuarial assumptions can be seen in the ACERA actuarial report.

Discount rate: The discount rate used to measure the Total Pension Liability was 7.25% as of December 31, 2019 and December 31, 2018. ACERA’s understanding is that Article 5.5 of the Statute, which authorizes the allocation of 50% of excess earnings to the SRBR, does not allow for the use of a different investment return assumption for funding than is used for interest crediting. In order to reflect the provisions of Article 5.5, It has treated future allocations to the SRBR as an additional outflow against the Plan’s Fiduciary Net Position in the GASB crossover.

The projection of cash flows used to determine the discount rate assumes that employer and member contributions will be made at rates equal to the actuarially determined contribution rates plus additional future contributions that would follow from the future allocation of excess earnings to the SRBR. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments of 7.25% was applied to all periods of projected benefit payments to determine the TPL as of both December 31, 2019 and December 31, 2018 respectively.

The long-term expected rate of return on pension plan investments for funding valuation purposes was using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumption as of December 31, 2018 are summarized in the table below.

FIRST 5 ALAMEDA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

| Asset Class | Target Allocation | Long Term (Arithmetic) Expected Real Rate of Return |
|--------------------------------|------------------------------|--|
| Domestic Large Cap Equity | 22.40% | 5.75% |
| Domestic Small Cap Equity | 5.60% | 6.37% |
| Developed International Equity | 19.50% | 6.89% |
| Emerging Market Equity | 6.50% | 9.54% |
| U.S. Core Fixed Income | 11.25% | 1.03% |
| High Yield Bonds | 1.50% | 3.99% |
| International Bonds | 2.25% | 0.19% |
| TIPS | 2.00% | 0.98% |
| Real Estate | 8.00% | 4.47% |
| Commodities | 3.00% | 3.78% |
| Hedge Fund | 9.00% | 4.30% |
| Private Equity | 9.00% | 7.60% |
| Total | 100% | |

Sensitivity of the Net Pension Liability to changes in the discount rate – The following represents the Net Pension liability of ACERA as of December 31, 2019 which is allocated to all employers, calculated using the discount rate of 7.25% as well as what ACERA’s Net Pension Liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.25%) or 1-percentage point higher (8.25%) than the current rate

| | |
|-----------------------|--------------|
| 1% Decrease | 6.25% |
| Net Pension Liability | \$13,530,694 |
| Current Discount Rate | 7.25% |
| Net Pension Liability | \$7,872,042 |
| 1% Increase | 8.25% |
| Net Pension Liability | \$3,189,676 |

D: Pension Plan Fiduciary Net Position – Detailed information about each pension plan’s fiduciary net position is available in the separately issued ACERA’s financial reports.

E: Payable to the Pension Plan

At June 30, 2020, First 5 Alameda County reported a payable of \$76,995, for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2020.

FIRST 5 ALAMEDA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5: OTHER POST EMPLOYMENT BENEFITS (OPEB)

A: The Plan

First 5 Alameda County provides other post employment benefits (OPEB) through the Alameda County Employees' Retirement Association (ACERA). ACERA began operations on January 1, 1948, and is governed by the California Constitution, the County Employees Retirement Law of 1937 and the bylaws, procedures and policies adopted by the Board of Retirement. ACERA operates as a cost-sharing multiple-employer defined benefit plan for Alameda County and participating special districts located in the County, including First 5 Alameda County. ACERA is not under the control of the Alameda County Board of Supervisors.

The management of ACERA is vested with the ACERA Board of Retirement. The Board consists of nine members and two alternates. The County Treasurer is a member of the Board of Retirement by law and is elected by the general public. Four members are appointed by the Board of Supervisors, one of whom may be a County Supervisor. Two active members are elected by the General members; one active member and one alternate are elected by the Safety members; one retired member and one alternate are elected by the retired members. All members of the Board of Retirement serve terms of three years except for the County Treasurer whose term runs concurrent with his term as County Treasurer.

ACERA provides benefits to eligible employees.

Membership Eligibility:

Service Retirees: Retired with at least 10 years of service (including deferred vested members who terminate employment and receive a retirement benefit from ACERA)

Disabled Retirees: A minimum of 10 years of service is required for non-duty disability. There is no minimum service requirement for duty disability.

ACERA provides monthly medical allowance, medicare benefit reimbursement plan, dental and vision plan deferred benefit and death benefit.

B: OPEB liabilities, OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB:

As of June 30, 2020, First 5 Alameda County reported net OPEB liabilities for of \$455,283 for its proportionate shares of the net OPEB liability. The net OPEB liability is allocated based on the actual employer contributions. The steps used for allocation are as follows:

- First calculate the ratio of the employer's contributions to the total contributions to the membership class.

FIRST 5 ALAMEDA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

-This ratio is multiplied by the net OPEB liability to determine the employer's proportionate share of the net OPEB liability.

The reporting date and the measurement date for the plan under GASB 74 are December 31, 2019. Consistent with the provisions of GASB 75, the assets and liabilities measured as of December 31, 2019 are not adjusted or "rolled forward" to the June 30, 2020 reporting date. Other results such as the total deferred inflows and outflows would also be allocated on the same proportionate share determined above. First 5 Alameda County's proportionate share of the net OPEB for the plan as of December 31, 2018 and 2019 was as follows:

| | |
|--------------------------------|--------|
| Proportion – December 31, 2018 | 0.379% |
| Proportion – December 31, 2019 | 0.403% |

For the year ended June 30, 2020, First 5 Alameda County recognized OPEB expense of \$81,662. At June 30, 2020, First 5 Alameda County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|-------------------------------------|
| OPEB contributions subsequent to measurement date | \$ 24,855 | \$ |
| Change in assumptions | 173,826 | (32,262) |
| Difference between expected and actual experience in the Total Pension Liability. | | |
| Changes in proportion and differences between employer's contributions and proportionate share of contributions. | 47,639 | (2,018) |
| Net excess of actual over projected earnings on OPEB plan investments. | | (227,917) |
| Difference between expected and actual experience in the Total OPEB Liability. | | (268,952) |
| Total | \$ <u>246,320</u> | \$ <u>(531,149)</u> |

\$24,855 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as OPEB expense as follows:

FIRST 5 ALAMEDA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

| | | | |
|---------------------|------|----|-----------|
| Year ended June 30, | | | |
| | 2021 | \$ | (99,549) |
| | 2022 | | (99,549) |
| | 2023 | | 48,840 |
| | 2024 | | (127,067) |
| | 2025 | | (25,529) |
| | 2026 | | (6,830) |

C: Actuarial assumptions

The total OPEB liabilities as of December 31, 2019 and December 31, 2018 were measured by actuarial valuations as of December 31, 2018 and December 31, 2017, respectively. The actuarial assumptions used to develop the December 31, 2019 and December 31, 2018 the total OPEB liabilities are the same assumptions used in the December 31, 2019 and December 31, 2018 funding valuations for ACERA, respectively. The following actuarial assumptions were applied to all periods included in the measurement:

December 31, 2019,

| | |
|-----------------------------------|--|
| Investment rate of return | 7.25% net of OPEB plan investment expense |
| Inflation | 3.00% |
| Health care premium trend rates | |
| Non-Medicare medical plan | Graded from 7.00% to ultimate 4.50% over 10 years |
| Medicare medical plan | Graded from 6.50% to ultimate 4.50% over 8 years |
| Dental/Vision and Medicare Part B | 4.00% |
| Other assumptions | Same as those proposed in the experience study for the period December 1, 2013 through November 30, 2016 |

Discount rate: The discount rate used to measure the Total OPEB Liability was 7.25% as of December 31, 2019 and December 31, 2018. The projection of cash flows used to determine the discount rate assumed benefit are paid out of current OPEB SRBR assets. Based on those assumptions, the SRBR OPEB plan's Fiduciary Net Position was projected to be available to make all projected future benefits payments for current plan members. Therefore the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the Total OPEB Liability as of December 31, 2019 and December 31, 2018.

The long-term expected rate of return on pension plan investments for funding valuation purposes was using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and

FIRST 5 ALAMEDA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

projected arithmetic real rates of return for each major asset class, after deducting inflation, but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumption as of December 31, 2019 are summarized in the table below.

| Asset Class | Target Allocation | Long Term (Arithmetic) Expected Real Rate of Return |
|--------------------------------|-------------------|---|
| Domestic Large Cap Equity | 22.40% | 5.75% |
| Domestic Small Cap Equity | 5.60% | 6.37% |
| Developed International Equity | 19.50% | 6.89% |
| Emerging Market Equity | 6.50% | 9.54% |
| U.S. Core Fixed Income | 11.25% | 1.03% |
| High Yield Bonds | 1.50% | 3.99% |
| International Bonds | 2.25% | 0.19% |
| TIPS | 2.00% | 0.98% |
| Real Estate | 8.00% | 4.47% |
| Commodities | 3.00% | 3.78% |
| Hedge Fund | 9.00% | 4.30% |
| Private Equity | 9.00% | 7.60% |
| Total | 100% | |

Sensitivity of the Net Pension Liability to changes in the discount rate – The following presents the Net OPEB Liability (NOL) of ACERA as of December 31, 2019, calculated using the discount rate of 7.25%, as well as what ACERA’s NOL would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

| | |
|-----------------------|-------------|
| 1% Decrease | 6.25% |
| Net Pension Liability | \$1,016,617 |
| Current Discount Rate | 7.25% |
| Net Pension Liability | \$455,283 |
| 1% Increase | 8.25% |
| Net Pension Liability | \$(10,721) |

Detailed information about OPEB plan’s fiduciary net position is available in the separately issued ACERA financial report. ACERA’s financial statements and required supplementary information are audited annually by independent auditors. The audit report and December 31, 2019 financial statements may be obtained by writing to Alameda County Employees’ Retirement Association, 475 14th Street, Suite 1000, Oakland, CA 94612.

**FIRST 5 ALAMEDA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 6: COMMITMENTS AND CONTINGENT LIABILITIES

First 5 Alameda County has received funds from various Federal, state and local programs. It is possible that at some future date, funding sources may be discontinued if First 5 Alameda County was found not in compliance with any applicable grant requirements. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although, First 5 Alameda

County does not expect such disallowed amount, if any, to materially affect the financial statements.

First 5 Alameda County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. First 5 Alameda County has purchased commercial insurance coverage for general

liability, workers' compensation, employee liability; fidelity, and property coverage. There were no settlements or claims during the year ended June 30, 2020.

NOTE 7: PROGRAM EVALUATION COSTS

First 5 Alameda County spent \$1,954,490 on program evaluation during year ended June 30, 2020.

NOTE 8: RELATED PARTY TRANSACTIONS

The legally required composition of First 5 Alameda County includes a County Supervisor, Directors of County agencies and representatives of agencies and constituencies concerned with children. Many of the programs funded by the Commission are operated by organizations represented by Commissioners. Commissioners may abstain from voting on issues and participating in discussions directly related to their respective organizations. The following table shows those contracts awarded from the fiscal year 2019-20 to agencies represented by Commissioners:

| <u>Contracts</u> | <u>Contract Amount</u> |
|--|----------------------------|
| County of Alameda, ALL IN | \$ 470,000 |
| 4 Cs of Alameda County | 578,000 |
| Alameda County Health Care Services Agency | <u>845,000</u> |
| | \$ <u><u>1,893,000</u></u> |

NOTE 10: EVALUATION OF SUBSEQUENT EVENTS

The COVID-19 outbreak in the United States has caused business disruption through mandated closings of businesses. While disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. However, the related financial impact on First 5 Alameda County and the durations cannot be estimated at this time.

FIRST 5 ALAMEDA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11: DATE OF MANAGEMENT REVIEW

The date to which events occurring after June 30, 2020 have been evaluated for possible adjustments to the financial statements or disclosures is October 12, 2020, which is the date that the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**FIRST 5 ALAMEDA COUNTY
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2020**

| | Budgeted Amounts | | Actual | Variance with Final Budget- Positive (Negative) |
|--|-------------------|-------------------|---------------------|--|
| | Original | Final | | |
| REVENUES: | | | | |
| Prop 10 Tobacco tax | \$ 11,443,608 | \$ 11,443,608 | \$ 12,672,035 | \$ 1,228,427 |
| Sustainability fund | 5,047,672 | 5,597,312 | | (5,597,312) |
| Interagency income | 854,885 | 1,030,185 | 652,034 | (378,151) |
| Grants: | | | | |
| Federal | 2,046,693 | 2,533,601 | 2,250,644 | (282,957) |
| State | 1,714,972 | 1,970,300 | 1,970,303 | 3 |
| Private | 103,000 | 303,000 | 514,269 | 211,269 |
| Other | | | | - |
| Sub-total | <u>3,864,665</u> | <u>4,806,901</u> | <u>4,735,216</u> | <u>(71,685)</u> |
| Fiscal Leveraging: | | | | |
| Medi-Cal Administrative Activities (MAA) | 1,500,000 | 1,500,000 | 1,569,586 | 69,586 |
| Investment income | 375,000 | 375,000 | 1,598,101 | 1,223,101 |
| Miscellaneous income | 16,860 | 32,900 | 151,346 | 118,446 |
| Total revenues | <u>23,102,690</u> | <u>24,785,906</u> | <u>21,378,318</u> | <u>(3,407,588)</u> |
| EXPENDITURES: | | | | |
| Personnel: | | | | |
| Salaries | 6,401,989 | 6,552,030 | 6,009,657 | 542,373 |
| Benefits | 3,285,533 | 3,366,179 | 3,072,215 | 293,964 |
| Sub-total | <u>9,687,522</u> | <u>9,918,209</u> | <u>9,081,872</u> | <u>836,337</u> |
| Program Contracts/Grants/MOU's: | | | | |
| Contracts | 10,948,414 | 11,838,507 | 10,373,311 | 1,465,196 |
| Grants | 538,145 | 740,996 | 461,302 | 279,694 |
| Professional services contracts | 384,086 | 515,836 | 89,141 | 426,695 |
| Sub-total | <u>11,870,645</u> | <u>13,095,339</u> | <u>10,923,754</u> | <u>2,171,585</u> |
| Training expenses: | | | | |
| Copy/printing | 18,500 | 24,900 | 24,932 | (32) |
| Space rental | 29,725 | 22,725 | 9,826 | 12,899 |
| Food/Hospitality | 50,000 | 115,345 | 45,266 | 70,079 |
| Honoraria | 10,500 | 27,700 | 16,965 | 10,735 |
| Postage | | 12,850 | 7,150 | 5,700 |
| Professional services | 62,484 | 86,484 | 83,985 | 2,499 |
| Supplies | 255,696 | 317,413 | 327,884 | (10,471) |
| Travel | 50,359 | 59,000 | 48,376 | 10,624 |
| Staff development/training | 44,259 | 48,441 | 23,115 | 25,326 |
| Cell phone | 3,000 | 3,000 | | (20,115) |
| Sub-total | <u>524,523</u> | <u>717,858</u> | <u>587,499</u> | <u>107,244</u> |
| General expenses: | | | | |
| Communications | 241,000 | 241,000 | 263,848 | (22,848) |
| Copying/printing | 20,000 | 20,000 | 18,659 | 1,341 |
| Equipment purchase | 112,500 | 110,000 | 120,332 | (10,332) |
| Postage | 5,000 | 5,000 | 3,893 | 1,107 |
| Insurance | 23,000 | 32,000 | 32,670 | (670) |
| Membership | 48,500 | 78,500 | 84,708 | (6,208) |
| Professional services | 365,000 | 365,000 | 264,750 | 100,250 |
| Space rental | 15,000 | 20,000 | 10,111 | 9,889 |
| Utilities | 58,000 | 58,000 | 67,033 | (9,033) |
| Janitorial services | 45,000 | 45,000 | 44,986 | 14 |
| Dues and taxes | 32,000 | 25,000 | 15,089 | 9,911 |
| Maintenance | 55,000 | 55,000 | 18,390 | 36,610 |
| Sub-total | <u>1,020,000</u> | <u>1,054,500</u> | <u>944,469</u> | <u>110,031</u> |
| Total expenditures | <u>23,102,690</u> | <u>24,785,906</u> | <u>21,537,594</u> | <u>3,248,312</u> |
| Net change in fund balance | <u>\$</u> | <u>\$</u> | <u>\$ (159,276)</u> | <u>\$ (159,276)</u> |

**FIRST 5 ALAMEDA COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020**

NOTE TO THE BUDGETARY DATA

First 5 Alameda County adopts an annual budget, which covers the Governmental Fund. All appropriations lapse at fiscal year end and then are rebudgeted for in the coming fiscal year. The budget is prepared on a cash basis of accounting.

A mid-year budget review is performed and the budget is amended by passage of a resolution. Additional appropriations not included in the amended budget resolution must be approved by First 5 Alameda County.

**FIRST 5 ALAMEDA COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020**

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY

| Last 10 Fiscal Years* | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|--------------|---------------|--------------|--------------|--------------|--------------|--------------|
| Proportion of the net pension liability | 0.368% | 0.366% | 0.334% | 0.358% | 0.349% | 0.326% | 0.321% |
| Proportionate share of the Net Pension Liability | \$ 7,872,042 | \$ 10,129,093 | \$ 6,731,962 | \$ 8,035,666 | \$ 7,383,341 | \$ 5,674,306 | \$ 4,116,118 |
| Covered – employee payroll (1) | \$ 5,423,220 | \$ 4,952,333 | \$ 4,562,701 | \$ 4,416,769 | \$ 4,239,645 | \$ 3,957,401 | \$ 4,191,989 |
| Proportionate share of the Net Pension liability as a percentage of covered-employee payroll | 145.15% | 204.53% | 147.54% | 181.94% | 174.15% | 143.38% | 98.19% |
| Plan Fiduciary Net Position as a percentage of the Total Pension Liability | 82.22% | 74.56% | 81.93% | 76.88% | 76.89% | 81.06% | 85.92% |

(1) Covered-employee payroll includes only Compensation Earnable and Pensionable Compensation that would go into the determination of retirement benefits.

*Additional years will be presented as they become available.

**FIRST 5 ALAMEDA COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020**

SCHEDULE OF CONTRIBUTIONS -PENSIONS

Last 10 Fiscal Years*

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Contractually required contribution (actuarially determined) | \$ 1,200,993 | \$ 1,022,889 | \$ 910,867 | \$ 897,742 | \$ 808,996 | \$ 764,451 |
| Contributions in relation to the actuarially determined contribution | \$ 1,200,993 | \$ 1,022,889 | \$ 910,867 | \$ 897,742 | \$ 808,996 | \$ 764,451 |
| Contribution deficiency (excess) | | | | | | |
| Covered – employee payroll | \$ 5,423,220 | \$ 4,952,333 | \$ 4,562,701 | \$ 4,416,769 | \$ 4,239,645 | \$ 3,957,401 |
| Contribution as a percentage of covered employee payroll | 22.15% | 20.65% | 19.96% | 20.33% | 19.08% | 19.32% |

*Additional years will be presented as they become available

Notes to schedule:

Methods and assumptions used to establish “actuarially determined contribution” rates:

| | |
|-------------------------------|---|
| Valuation Date | 12/31/2018 |
| Actuarial Cost Method | Entry-Age Actuarial Cost Method |
| Amortization method | Level percentage of payroll |
| Remaining amortization period | Prior to January 1, 2012, the total UAAL was amortized on a 30-year decreasing period, with 21 years remaining as of December 31, 2011 (and 15 years remaining as of December 31, 2017). On or after January 1, 2012, any new UAAL resulting from plan amendments are amortized over separate decreasing 15-year periods; early retirement incentive programs (ERIPs) are amortized over separate decreasing 5-year periods; assumption and method changes are amortized over separate decreasing 20-year periods; and experience gains/losses are also amortized over separate decreasing 20-year periods. |

**FIRST 5 ALAMEDA COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020**

| | |
|---------------------------|--|
| Asset Valuation method | The actuarial value of assets is determined by recognizing any difference between the actual and the expected market return over 10 six-month interest crediting periods. The actuarial value of assets is further adjusted, if necessary, to be within 40% of the market value of assets. |
| Inflation | 3.00% |
| Salary Increases | 3.9% to 8.30%, vary by service including inflation. |
| Investment rate of return | 7.25%, net of pension plan investment expense, including inflation. |
| Retirement age | 60 years |
| Mortality | RP-2000 Combined Healthy Mortality table |

**FIRST 5 ALAMEDA COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020**

SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY

Last 10 Fiscal Years*

| | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|---|--------------|--------------|--------------|
| Proportion of the net pension liability | | | |
| Proportionate share of the Net OPEB Liability | \$ 455,283 | \$ 883,354 | \$ 101,306 |
| Covered – employee payroll (1) | \$ 5,423,220 | \$ 4,952,333 | \$ 4,562,701 |
| Proportionate share of the Net OPEB liability as a percentage of covered-employee payroll | 8.40% | 17.84% | 2.22% |
| Plan Fiduciary Net Position as a percentage of the Total Net OPEB Liability | 89.57% | 77.91% | 97.33% |

(1) *Covered-employee payroll shown represents Compensation Earnable and Pensionable Compensation and is defined as the payroll of employees that are provided with OPEB through the OPEB plan.*

* Additional years will be presented as they become available.

**FIRST 5 ALAMEDA COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020**

SCHEDULE OF CONTRIBUTIONS -OPEB

| Last 10 Fiscal Years* | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|---|--------------|--------------|--------------|
| Contractually required contribution (actuarially determined) (1) | \$ N/A | \$ N/A | \$ N/A |
| Contributions in relation to the actuarially determined contribution | \$ N/A | \$ N/A | \$ N/A |
| Contribution deficiency (excess) | _____ | _____ | _____ |
| Covered – employee payroll (2) | \$ 5,423,220 | \$ 4,952,333 | \$ 4,562,701 |
| Contribution as a percentage of covered employee payroll | | | |

*Additional years will be presented as they become available

Notes to schedule:

- (1) Benefits are funded by employer contributions to the 401(h) account and similar amounts are transferred from the SRBR to the Employers Advance Reserve to backfill the employer contributions that would have otherwise been made to the Retirement Plan.
- (2) Covered-employee payroll shown represents Compensation Earnable and Pensionable Compensation and is defined as the payroll of employees that are provided with OPEB through the OPEB plan.

FIRST 5 ALAMEDA COUNTY
SCHEDULE OF REVENUES AND EXPENDITURES BY FUND SOURCE AND FUND BALANCE OF CCFC
FUNDS FOR FIRST 5 PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2020

| | | <u>IMPACT</u> |
|---|----|------------------------------------|
| | | <u>CCFC Funds</u> |
| REVENUE: | | |
| Retention Incentives - First 5 Improve and Maximize Programs so All Children Thrive | \$ | <u>1,970,303</u> |
| Total revenues | | <u>1,970,303</u> |
| EXPENDITURES - Current: | | |
| Salaries and employee benefits | | |
| Salaries and employee benefits | | 67,084 |
| Other | | <u>1,903,219</u> |
| Total expenditures | | <u>1,970,303</u> |
| Excess of revenues over expenditures | | - |
| Beginning fund balance | | <u> </u> |
| Ending fund balance | \$ | <u><u> </u></u> |



**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
First 5 Alameda County
Alameda, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, major fund of First 5 Alameda County as of and for the year ended June 30, 2020, and the related notes to the financial statements which collectively comprise the First 5 Alameda County’s basic financial statements and have issued our report thereon dated October 12, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered First 5 Alameda County’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of First 5 Alameda County’s internal control. Accordingly, we do not express an opinion on the effectiveness of First 5 Alameda County’s internal control

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and other Matters

As part of obtaining reasonable assurance about whether First 5 Alameda County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the First 5 Alameda County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The image shows a handwritten signature in dark ink. The signature consists of the letters 'RS' followed by the word 'Associates'. The 'RS' is written in a stylized, cursive font, and 'Associates' is written in a more legible, cursive script.

San Ramon, California
October 12, 2020



INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Commissioners
First 5 Alameda County
Alameda, California

Compliance

We have audited the First 5 Alameda County's compliance with the requirements specified in the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, issued by the State Controller's Office, applicable to the Commission's statutory requirements identified below for the year ended June 30, 2020.

Management's Responsibility

Management is responsible for compliance with the requirements of the laws and regulations applicable to the California Children and Families Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Commission's compliance with the requirements referred to above based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, issued by the State Controller's Office. Those standards and the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the requirements referred to above that could have a direct and material effect on the statutory requirements listed below. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance. However, our audit does not provide a legal determination of the Commission's compliance with those requirements. In connection with the audit referred to above, we selected and tested transactions and records to determine the Commission's compliance with the state laws and regulations applicable to the following items:

| <u>Description</u> | <u>Audit Guide Procedures</u> | <u>Procedures Performed</u> |
|---------------------------------------|-----------------------------------|---------------------------------|
| Contracting and Procurement | 6 | Yes |
| Administrative Costs | 3 | Yes |
| Conflict –of-Interest | 3 | Yes |
| County Ordinance | 4 | Yes |
| Long-range Financial Plans | 2 | Yes |
| Financial condition of the Commission | 1 | Yes |
| Program Evaluation | 3 | Yes |
| Salaries and Benefits Policies | 2 | Yes |

Opinion

In our opinion, the First 5 Alameda County compiled, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the California Children and Families Program for the year ended June 30, 2020.



San Ramon, California
October 12, 2020

**FIRST 5 ALAMEDA COUNTY
STATUS OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2020**

There were no material findings reported in the prior year.



To: First 5 Alameda County Commission

From: Christine Hom, Finance Officer

Date: October 15, 2020

Subject: 2020 Biennial Conflict of Interest Code review and amendment

ACTION REQUESTED:

To review and approve F5AC's revised Conflict of Interest Code.

BACKGROUND:

In May 2006 First 5 Alameda County adopted conflict of interest policies to be in compliance with Government Code 87300. Conflict of interest disclosure must be undertaken by an individual in an organization who can authorize or recommend authorization of payment of funds. On an annual basis, Commissioners and designated staff are required to complete the Statement of Economic Interests Form 700 to disclose any financial interests and conflicts.

On a biennial basis, First 5 Alameda County is required to review its conflict of interest policy, denote any changes and submit verification of review to the Alameda County Board of Supervisors as the code reviewing body. The attachment contains updates including new positions, revisions of titles of existing positions and the deletion of positions that no longer exist or no longer make/participate in making financial related decisions.

Disclosure categories are as follows:

Category 1

All business positions, investments in, or income (including gifts and loans) received from any entities that provide services of the type which are eligible to receive Proposition 10 funding.

Category 2

All interests in real property within the jurisdiction. Real property shall be deemed to be within the jurisdiction if the property or any part of it is located within or not more than two miles outside the boundaries of the jurisdiction or within two miles of any land owned or used by the agency.

Category 3

All business positions, investments in, or income (including gifts and loans) received from business entities that manufacture, provide or sell services or supplies of a type utilized by the agency and associated with the job assignment of designated position assigned to this disclosure category.

Category 4

Individuals who perform under contract the duties of any designated position shall be required to file statements of Economic Interests disclosing reportable interest in the categories assigned to that designated position.

In addition, individuals who, under contract, participate in decisions which affect financial interests by providing information, advice, recommendations or counsel to the agency which could affect financial interest shall be required to file Statements of Economic Interests, unless they fall within the Political Reform Act's exceptions to the definition of consultant. The level of disclosure shall be as determined by the Chief Executive Officer (or head) of the agency.

RECOMMENDATION:

That the Commission approve F5AC's revised Conflict of Interest Code.


Submitted by:

DocuSigned by:

5659DF0B756A46A...

Christine Hom
Finance Officer

Reviewed by:

DocuSigned by:

ED639B4561544E4...

Kristin Spanos
Chief Executive Officer



FIRST 5 ALAMEDA COUNTY CONFLICT OF INTEREST CODE

APPROVED BY F5AC COMMISSION ON MAY 25, 2006

APPROVED BY ALAMEDA COUNTY BOARD OF SUPERVISORS ON MAY 22, 2007

**Conflict of Interest Code of
The First 5 Commission of Alameda County**

The terms of 2 Cal. Code of Regs. Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission along with the attached Appendices in which officials and employees are designated and disclosure categories are set forth, are hereby incorporated by reference and constitute the Conflict of Interest Code of the First 5 Commission of Alameda County.

All designated employees shall file their statements of economic interests with the First 5 Commission of Alameda County. Upon receipt of the statements of the Board members and the Chief Executive Officer, the agency shall make and retain a copy and forward the originals to the Alameda County Board of Supervisors, which shall be the filing officer. Statements for all other designated employees shall be retained by the First 5 Commission of Alameda County, and shall be made available for public inspection and reproduction. (Gov. Code section 81008.)

APPENDIX A

Designated Position

Assigned Disclosure Category

| | |
|----------------------------|---------|
| Board of Commissioners | 1, 2, 3 |
| Ex-Officio Representatives | 1, 2, 3 |
| Consultants* | 4 |

APPENDIX B

Disclosure Categories of Staff

Category 1

All business positions, investments in, or income (including gifts and loans) received from any entities that provide services of the type which are eligible to receive Proposition 10 funding.

Category 2

All interests in real property within the jurisdiction. Real property shall be deemed to be within the jurisdiction if the property or any part of it is located within or not more than two miles outside the boundaries of the jurisdiction or within two miles of any land owned or used by the agency.

Category 3

All business positions, investments in, or income (including gifts and loans) received from business entities that manufacture, provide or sell services or supplies of a type utilized by the agency and associated with the job assignment of designated position assigned to this disclosure category.

Category 4

Individuals who perform under contract the duties of any designated position shall be required to file statements of Economic Interests disclosing reportable interest in the categories assigned to that designated position.

In addition, individuals who, under contract, participate in decisions which affect financial interests by providing information, advice, recommendations or counsel to the agency which could affect financial interest shall be required to file Statements of Economic Interests, unless they fall within the Political Reform Act's exceptions to the definition of consultant. The level of disclosure shall be as determined by the Chief Executive Officer (or head) of the agency.

* The Chief Executive Officer may determine in writing that a particular consultant, although a "designated position" is hired to perform a range of duties that are limited in scope and thus is not required to comply with the disclosure requirements described in this section. Such determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. A copy of the written determination is a public record and shall be retained by the agency and made available for public inspection in the same manner and location as this conflict of interest code.

A list of the individuals required to file disclosures under this category and their respective levels of disclosure is on file in the Commission's Chief Executive Officers' office.

APPENDIX A

Designated Position

Assigned Disclosure Category

| | |
|----------------------------|---------|
| Board of Commissioners | 1, 2, 3 |
| Ex-Officio Representatives | 1, 2, 3 |
| Consultants* | 4 |

CONFLICT OF INTEREST DISCLOSURE CATEGORIZATIONS CY 2020

| Title | Disclosure Category | Individual |
|----------------------------|----------------------------|--|
| Commissioner, Chair | 1, 2, 3 | Renee Herzfeld |
| Commissioner, Vice Chair | 1, 2, 3 | Cecilia Oregón Echeverría |
| Commissioner | 1, 2, 3 | Wilma Chan |
| Commissioner | 1, 2, 3 | Scott Coffin |
| Commissioner | 1, 2, 3 | Lori Cox |
| Commissioner | 1, 2, 3 | Tomas Magaña |
| Commissioner | 1, 2, 3 | Pamela Simms-Mackey <u>Karina Moreno</u> |
| Commissioner | 1, 2, 3 | Kimi Watkins-Tartt |
| Commissioner Alternate | 1, 2, 3 | Vanessa Cendeño |
| Commissioner Alternate | 1, 2, 3 | Quamrun Eldredge <u>Aneeka Chaudhry</u> |
| Commissioner Alternate | 1, 2, 3 | Michelle Love <u>Anissa Basoco-Villarreal</u> |
| Ex-Officio Representatives | 4 | None |
| Consultants | 4 | None |

APPENDIX B

Disclosure Categories of Staff

CONFLICT OF INTEREST DISCLOSURE CATEGORIZATION CY 201820

| Title <u>(Designated Position)</u> | Disclosure Category | Employee |
|--|---------------------|------------------------------|
| Accounting and Contracts Manager | 1, 2, 3 | Canteros |
| Chief Executive Officer | 1, 2, 3 | Spanos |
| Contracts and Budget Specialist | 1, 2, 3 | Perez |
| Contracts and Budget Specialist | 1, 2, 3 | Chan |
| <u>Contracts and Budget Specialist</u> | <u>1, 2, 3</u> | <u>Saelee</u> |
| Communications Specialist | <u>1, 2, 3</u> | <u>Vacant Kuempel</u> |
| Community Grants Program Officer | 1, 2, 3 | Barnes |
| Community Grants Program Officer | 1, 2, 3 | Gregor |
| Director of Operations & Technology | 1, 2, 3 | <u>Vacant Vijeh</u> |
| Director of Planning, Policy & Evaluation | 1, 2, 3 | <u>Vacant Forti</u> |
| Director of Programs | 1, 2, 3 | <u>Vacant Keener</u> |
| Early Care & Education Specialist | 1, 2, 3 | Jerene |
| Early Childhood Dental Site Coordinator | 1, 2, 3 | Toscano Gutierrez |
| Early Childhood Special Projects Coordinator | 1, 2, 3 | <u>Howard Vacant</u> |
| Early Childhood Strategies Coordinator | 1, 2, 3 | Erickson |
| ECE Program Administrator (Quality Improvement) | 1, 2, 3 | Bansal |
| Evaluation Specialist | 1, 2, 3 | Bernzweig |
| Evaluation Specialist | 1, 2, 3 | Wellenkamp |
| Fathers Corps Manager | 1, 2, 3 | Young |
| Fathers Corps Program Administrator | 1, 2, 3 | Bremond |
| <u>Finance Administrator</u> | <u>1, 2, 3</u> | <u>Canteros</u> |
| Finance Manager | 1, 2, 3 | <u>Brumley Vacant</u> |
| Finance Officer | 1, 2, 3 | Hom |
| Help Me Grow Administrator | 1, 2, 3 | Farrar |

| | | |
|---|--------------------|----------------------------------|
| Help Me Grow Program Administrator | 1, 2, 3 | Turner |
| Help Me Grow <u>ECE</u> Community Liaison | <u>1, 2, 3</u> | Cheng |
| Help Me Grow <u>Senior</u> Community Liaison | <u>1, 2, 3</u> | Sanchez |
| Help Me Grow <u>Developmental Screening Coach</u> Community Liaison | <u>1, 2, 3</u> | Chen |
| Help Me Grow Prevention Manager | 1, 2, 3 | Montgomery |
| Help Me Grow <u>Program Services</u> Services Program Coordinator | 1, 2, 3 | Otero |
| Human Resources Administrator | 1, 2, 3 | Vacant <u>DeGolia</u> |
| Human Resources Analyst | 1, 2, 3 | <u>Shah Blake</u> |
| Information Systems Administrator | 1, 2, 3 | Allen |
| Office <u>& Facilities</u> Manager | 1, 2, 3 | Black-Edwards |
| <u>Parent Engagement Administrator</u> | <u>1, 2, 3</u> | <u>Wilson</u> |
| Payroll & <u>Finance</u> Accounting Manager | 1, 2, 3 | Quach |
| Perinatal Program Services Manager | 1, 2, 3 | Wilson |
| Planning and Community Grants Senior Administrator | 1, 2, 3 | Forti |
| <u>Policy, Planning and Evaluation Manager</u> | <u>1, 2, 3</u> | <u>Barnes</u> |
| Program Administrator, Training @ First 5 | 1, 2, 3 | Hoch |
| <u>Program Manager, Neighborhoods Ready for School</u> | <u>1, 2, 3</u> | <u>Gregor</u> |
| <u>Project Director, Early Care and Education</u> | <u>1, 2, 3</u> | <u>Rutherford</u> |
| Quality Counts Analyst | 3 | Kame |
| Quality Counts Rating Manager | 3 | Jackson |
| Quality Improvement Coach | <u>1, 2, 3</u> | Lara |
| Quality Improvement Coach | <u>1, 2, 3</u> | Lo |
| Quality Improvement <u>Rating</u> Coaching Manager | 1, 2, 3 | <u>Lewis Jackson</u> |
| Quality Rating Improvement Systems Administrator | 1, 2, 3 | Vacant <u>Lewis</u> |
| Senior Administrator, Continuum of Care and Linkages | 1, 2, 3 | Keener |
| Senior Administrator, Community & Provider Capacity Building | 1, 2, 3 | Ramler |
| Senior Administrator, Data & Evaluation | 1, 2, 3 | Vacant |

AGENDA ITEM 6.2

| | | |
|--|----------------|------------------------------------|
| <u>Senior Administrator, ECE</u> | <u>1, 2, 3</u> | <u>Kamo</u> |
| Senior Administrator, Policy & Data | 1, 2, 3 | Tomblin <u>Rasquiza</u> |
| <u>Senior Administrator, Help Me Grow</u> | <u>1, 2, 3</u> | <u>Farrar</u> |
| <u>Senior Administrator, Information Systems</u> | <u>1, 2, 3</u> | <u>Allen</u> |
| <u>Senior Program Administrator</u> | <u>1, 2, 3</u> | <u>Howard</u> |
| <u>Technology Officer</u> | <u>1, 2, 3</u> | <u>Vacant</u> |

2020 Local Agency Biennial Notice

Name of Agency: First 5 Alameda County

Mailing Address: 1115 Atlantic Avenue, Alameda CA 94501

Contact Person: Kristin Spanos Phone No. 510-227-6900

Email: kristin.spanos@first5alameda.org Alternate Email: christine.hom@first5alameda.org

Accurate disclosure is essential to monitor whether officials have conflicts of interest and to help ensure public trust in government. The biennial review examines current programs to ensure that the agency's code includes disclosure by those agency officials who make or participate in making governmental decisions.

This agency has reviewed its conflict of interest code and has determined that (*check one BOX*):

An amendment is required. The following amendments are necessary:

(*Check all that apply.*)

- Include new positions
- Revise disclosure categories
- Revise the titles of existing positions
- Delete titles of positions that have been abolished and/or positions that no longer make or participate in making governmental decisions
- Other (*describe*) _____

The code is currently under review by the code reviewing body.

No amendment is required. (If your code is over five years old, amendments may be necessary.)

Verification (to be completed if no amendment is required)

This agency's code accurately designates all positions that make or participate in the making of governmental decisions. The disclosure assigned to those positions accurately requires that all investments, business positions, interests in real property, and sources of income that may foreseeably be affected materially by the decisions made by those holding designated positions are reported. The code includes all other provisions required by Government Code Section 87302.

Kristin Spanos

10/9/2020

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Signature of Chief Executive Officer

Date

All agencies must complete and return this notice regardless of how recently your code was approved or amended. Please return this notice no later than **October 1, 2020**, or by the date specified by your agency, if earlier, to:

(PLACE RETURN ADDRESS OF CODE REVIEWING BODY HERE)

PLEASE DO NOT RETURN THIS FORM TO THE FPPC.



To: First 5 Alameda County Commission

From: Mojgan Vijeh, Director of Operations & Technology

Date: October 15, 2020

Subject: Employee Handbook Revisions

ACTION REQUESTED

To review the proposed revisions to the Employee Handbook.

BACKGROUND

First 5 Alameda County adopted Personnel Policies in May 2004 in preparation for separation from Alameda County. Since then review has been done annually and resulted in revisions as needed. Revisions are necessary periodically due to changes in practice or law. We engage the employment law firm of Wiley Price & Radulovich when consultation is needed on issues of employment, including revision of employee policies in the Employee Handbook. All significant policy revisions are listed on the change log at the end of the document.

RECOMMENDATION

The following changes are part of a complete legal review of the Employee Handbook by Joan Pugh Newman at Wiley Price & Radulovich and represent edits that clarify policy and current agency practices in accordance with employment law. The significant changes identified in the Employee Handbook are as follows:

First 5 recommended changes as part of legal review:

- Page 4: **At-Will Employment** - Consistent with business practice, CEO to sign at-will employment agreement with employees, instead of Commission Chair.
- Page 4: Update and expand "**Policy Prohibiting Harassment & Discrimination**".
- Page 23: **Remote Work** - Alteration of remote work policy due to COVID, removing the need to request a Remote Work arrangement.

RECOMMENDATION

To approve the proposed revisions to the Employee Handbook.

Submitted by:

DocuSigned by:
Mojgan Vijeh
5F26CC318E2A4CE...

Mojgan Vijeh
Director of Operations & Technology

Reviewed by:

DocuSigned by:
Kristin Spanos
ED639B4561544E4...

Kristin Spanos
Chief Executive Officer

FIRST 5



Employee Handbook

Contents

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| 4 | Equal Opportunity |
| 4 | Reasonable Accommodation of Protected Disabilities |
| 4 | Policy Prohibiting Harassment & Discrimination |
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 - Notice
 - Severance Pay
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Acknowledgement

Change Log

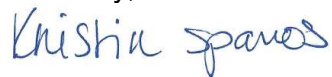
Welcome

Welcome to employment with First 5 Alameda County (F5AC). Through the efforts of our employees, F5AC has established itself as a leading organization in our community and we are excited to have you join our team.

Our vision and mission, along with our strategic plan, guide our work. To ensure our continued success, all employees also need to understand, and comply with, our policies and procedures. This Handbook contains important F5AC information including a summary of our policies, benefits, and work expectations. We encourage you to use it as a reference throughout your employment with us.

If you have any questions, please do not hesitate to ask either your supervisor or our Human Resources team.

Sincerely,



Kristin Spanos, Chief Executive Officer

Our Vision

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

Our Mission

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

Part One: Introduction

This handbook is designed to help you familiarize yourself with important information about First 5 Alameda County (“F5AC”), and information regarding your own privileges and responsibilities as employees.

It is not possible to anticipate every situation that may occur in the workplace or to provide information that answers every possible question. Also, future circumstances may require changes in the policies, practices, and benefits described in this handbook. Accordingly, except for the principle of At-Will Employment relationship with its employees, F5AC reserves the right to modify, rescind, supplement, or revise any provision in this handbook. While F5AC makes reasonable efforts to provide you with advance notice of any modifications or revisions to the handbook, and distributes updated pages as revisions are made, advance notice of policy changes may not always be possible. Changes to policies apply to F5AC employees on their effective date.

This handbook is not intended to be a contract. The policies and procedures in this handbook are intended to, and do, replace all previous employee policies, practices, and guidelines.

All employees are expected to comply with all policies in this handbook. Employees who fail to comply with any policy will be subject to discipline, up to and including immediate termination.

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

At-Will Employment

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

Equal Opportunity

F5AC affords equal opportunity in all aspects of employment to all employees and applicants for employment without regard to basis of race, religion (including religious dress or grooming), creed, sex (including pregnancy, childbirth, breastfeeding, or related medical conditions), gender, national origin, ethnicity, ancestry, citizenship, age, physical or mental disabilities, color, marital status, registered domestic partner status, sexual orientation, gender identity or expression, genetic information, medical condition, military or veteran status, exercise of rights under the Pregnancy Disability Leave Law or the California Family Rights Act, or any other basis protected by applicable law. This policy applies to all employees and applicants for employment, and extends to all phases of employment, including but not limited to: recruitment, hiring, training, promotion, discharge or layoff, rehiring, compensation, and any benefits.

Reasonable Accommodation for Protected Disabilities

F5AC complies with the reasonable accommodation requirements of applicable law, including the obligation to engage in the interactive process to identify possible reasonable accommodations for employees and applicants with disabilities. Employees or applicants who wish to request a reasonable accommodation should make this request to the Human Resources Administrator. Alternatively, employees may make their request to their direct supervisor, who will be responsible for communicating the request for accommodation to Human Resources.

Any complaints or concerns regarding reasonable accommodation should be directed promptly to the Human Resources Administrator.

Policy Prohibiting Harassment & Discrimination

~~Harassment and discrimination in employment on the basis of sex (including pregnancy, childbirth, breastfeeding, or related medical condition), gender, race, color, national origin, ancestry, citizenship, religion, creed, age, physical or mental disability, medical condition, sexual orientation, gender identity or gender expression, military or veteran status, marital status, registered domestic partner status, genetic information, or any other protected basis (collectively the “Protected Characteristics”) is unlawful under federal and state law. All employees are entitled to work free of discrimination or harassment based on any Protected Characteristic. The law prohibits all employees (including coworkers, supervisors, and managers), as well as third parties the employee comes in contact, from engaging in this prohibited conduct. Accordingly, F5AC does not tolerate discrimination or harassment in the workplace or in a work-related situation. Unlawful discrimination and harassment is a violation of the F5AC’s rules of conduct~~

~~Unlawful harassment in employment may take many different forms. Some examples are:~~

- Verbal conduct such as epithets, derogatory comments, slurs, or unwanted comments and jokes;
- Visual conduct such as derogatory posters, cartoons, drawings, or gestures;
- Physical conduct such as blocking normal movement, restraining, touching, or otherwise physically interfering with work of another individual;
- Threatening or demanding that an individual submit to certain conduct or to perform certain actions in order to keep or get a job, to avoid some other loss, or as a condition of job benefits, security, or promotion; and
- Retaliation by any of the above means for having reported harassment or discrimination, or having assisted another employee to report harassment or discrimination.

Internal Complaint Procedure Discrimination and harassment are not tolerated. In addition, F5AC prohibits retaliation for making a report, and/or participating in the reporting or investigative process, under this policy. Violation of this policy will result in disciplinary action up to, and including, immediate discharge.

Any individual who believes they are the object of harassment or discrimination on any prohibited basis, or who has observed harassment or discrimination, or who believes they have been subjected to retaliation, should notify their supervisor, F5AC's Human Resources Manager, or any supervisor or manager. Supervisors who receive a complaint under this policy will report it to Human Resources. F5AC will conduct a fair, timely, and thorough investigation, and will do so in a confidential manner, to the extent possible. The investigation will be performed by impartial and qualified people and will be appropriately documented. Following the investigation, F5AC will take action as is warranted under the circumstances and will timely close the matter.

External Agency Complaint Procedure

Both the state and federal governments have agencies to address unlawful discrimination in the workplace. If an employee believes they have been harmed by an unlawful practice and is not satisfied with F5AC's response to the problem, they may file a written complaint with these agencies. For the State of California, the agency is called the Department of Fair Employment and Housing ("DFEH"). The local address for the DFEH is 2218 Kausen Drive, #100, Elk Grove, California 95758. For the federal government, the agency is called the Equal Employment Opportunity Commission ("EEOC"). The local address for the EEOC is 1301 Clay Street, #1170, Oakland, California 94612.

If, after an investigation and hearing, either of these agencies finds that unlawful discrimination has occurred, the injured employee may, depending on the circumstances, be entitled to reinstatement or promotion, with or without back pay.

Retaliation

Retaliation against any individual for making a report, or for participating in an investigation, under this policy is strictly prohibited. Individuals are protected by law and by F5AC policy from retaliation for opposing unlawful discriminatory practices, for filing an internal complaint under this policy or for filing a complaint with the DFEH or EEOC, or for otherwise participating in any proceedings conducted by F5AC under this policy and/or by either of these agencies.

Harassment and discrimination in employment on the basis of sex (including pregnancy, childbirth, breastfeeding, or related medical condition), gender, race, color, national origin, ancestry, citizenship, religion, creed, age, physical or mental disability, medical condition, sexual orientation, gender identity or gender expression, military or veteran status, marital status, registered domestic partner status, genetic information, or any other protected basis (collectively the "Protected Characteristics") is unlawful under federal and state law. Every individual is

entitled to work free of discrimination or harassment based on any Protected Characteristic. The law prohibits all employees (including coworkers, supervisors, and managers), as well as third parties with whom the employee comes into contact, from engaging in this impermissible conduct. Accordingly, F5AC does not tolerate discrimination or harassment in the workplace or in a work-related situation. Unlawful discrimination and harassment violates F5AC's rules of conduct.

Unlawful harassment in employment may take many different forms. Some examples are:

· Verbal conduct such as epithets, derogatory comments, slurs, or unwanted comments and jokes;

· Visual conduct such as derogatory posters, cartoons, drawings, or gestures;

· Physical conduct such as blocking normal movement, restraining, touching, or otherwise physically interfering with work of another individual;

· Threatening or demanding that an individual submit to certain conduct or to perform certain actions in order to keep or get a job, to avoid some other loss, or as a condition of job benefits, security, or promotion; and

· Retaliation by any of the above means for having reported harassment or discrimination, or having assisted another employee to report harassment or discrimination.

Sexual harassment under these laws includes unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when:

· submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment;

· submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or

· such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

Internal Complaint Procedure

Discrimination and harassment in employment are not tolerated. In addition, F5AC prohibits retaliation for having made a report, and/or otherwise participating in the reporting or investigative process, under this policy. Violation of this policy will result in disciplinary action up to, and including, immediate discharge.

Any individual who believes they are the object of harassment or discrimination on any prohibited basis, or who has observed such harassment or discrimination, or who believes they have been subjected to retaliation, should notify their supervisor, F5AC's Human Resources Manager, or any supervisor or manager. Supervisors who receive a complaint under this policy will report it to Human Resources. F5AC will conduct a fair, timely, and thorough investigation, and will do so in a confidential manner, to the extent possible. The investigation will be performed by impartial and qualified personnel, and will be appropriately documented. Following the investigation, F5AC will take such action as is warranted under the circumstances, and will timely close the matter.

Agency Complaint Procedure

Both the state and federal governments have agencies whose purpose is to address unlawful discrimination in the workplace. If an individual who provides services to the F5AC believes they have been harmed by an unlawful practice, and is not satisfied with F5AC's response to the problem, they may file a written complaint with these agencies. For the State of California, the agency is called the Department of Fair Employment and Housing ("DFEH"). The local address for the DFEH is 2218 Kausen Drive, #100, Elk Grove, California 95758. For the federal government, the agency is called the Equal Employment Opportunity Commission ("EEOC"). The local address for the EEOC is 1301 Clay Street, #1170, Oakland, California 94612.

If, after an investigation and hearing, either of these agencies finds that unlawful discrimination has occurred, the injured employee may, depending on the circumstances, be entitled to reinstatement or promotion, with or without back pay.

Retaliation

Retaliation against any individual for making a report, or for participating in an investigation, under this policy is strictly prohibited. Individuals are protected by law and by F5AC policy from retaliation for opposing unlawful discriminatory practices, for filing an internal complaint under this policy or for filing a complaint with the DFEH or EEOC, or for otherwise participating in any proceedings conducted by F5AC under this policy and/or by either of these agencies.

Part Two: Employment and Hiring Policies

Work Eligibility

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

California law requires that certain employees must report suspected child abuse or neglect to a child protective agency. Consistent with F5AC's mission to improve the lives of children and their families, all F5AC employees are considered mandated reporters. Employees are provided with training on these reporting procedures during their introductory period.

Introductory Period

The introductory period is typically the first one hundred eighty (180) days following the start of employment at F5AC. During this period, performance is carefully evaluated and a determination is made regarding whether the employee's job performance is sufficient to pass the introductory period and become a "regular employee. An employee's successful completion of the introductory period does not alter the employee's "at will" status and does not guarantee continued employment for any time period. Under certain circumstances and at its sole discretion, F5AC may extend an employee's introductory period for up to an additional 90 days. The introductory period does not alter benefits or seniority. The introductory period is completed only when the employee is issued a writing by F5AC notifying them of the conclusion of the introductory period.

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

Employee Classifications

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

- Exempt Employee: An executive, administrative, or professional employee who is exempt from the overtime pay requirements of applicable law.
- Non-exempt Employee: An employee (generally paid by the hour) who is eligible to receive overtime pay for overtime hours actually worked.
- Regular Full-Time Employee: An employee who is regularly scheduled to work forty (40) hours or more per workweek, and who has successfully completed their introductory period.
- Regular Part-Time Employee: An employee who is regularly scheduled to work at least twenty (20), but fewer than forty (40) hours per workweek, and who has successfully completed their introductory period.
- Introductory Employee: An employee who has not yet successfully completed their introductory period. (See Introductory Period policy, above.)
- Temporary Employee: An employee who is hired on a full- or part-time basis for a specified period, usually not to exceed twelve (12) months.
- Intern: A temporary employee hired on a full- or part-time basis for a specified period, usually not to exceed twelve (12) months, to further a degree, and usually attached to an accredited University program.
- On-Call Employee: An employee who is not regularly scheduled to work a specified number of hours in any given workweek, but who is called to work on an as-needed basis.

All employees are classified as: 1) exempt or non-exempt; 2) as regular, introductory, temporary, or on-call; and 3) as part-time or full-time. These classifications determine, e.g., eligibility for benefits, compensatory time, and overtime.

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

Job Postings

F5AC attempts to find the most qualified candidates to fill position vacancies. This is generally accomplished through a combination of internal and external recruiting. Consideration is given to the advancement of current employees. Employees are encouraged to apply for promotions or transfers for which they believe they are qualified.

Open F5AC positions are posted through the HR system and typically announced by F5AC email. Internal postings may occur simultaneously with external postings. F5AC determines when to fill positions from within or to hire externally.

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

Hiring Relatives

Employees' or Commissioners' relatives may apply for F5AC positions. To avoid conflicts of interest, or appearances of conflicts, F5AC established these guidelines:

- Employees & Commissioners may not conduct a job interview or make employment-related decisions involving relatives.
- Employees may not supervise relatives under any circumstances.

The definition of "relative" for purposes of this policy is the employee's:

- Spouse/domestic partner
- Child, or spouse's or domestic partner's child (including: natural child, legally adopted child, or a child for whom the employee, spouse, or domestic partner has been awarded court-appointed legal guardianship)
- Parent or spouse's/domestic partner's parent
- Sibling or sibling's spouse/domestic partner
- Any other individual living in the same household as the employee

It is expected that all employees, regardless of any relationship status, will conduct themselves professionally in their interactions with all other employees working at F5AC.

Part Three: Employee Development

Performance Management

Effective performance management is critical to our success. Employees need to know our expectations to carry out our strategic plan and achieve our mission. Supervisors are expected to provide ongoing, timely feedback and coaching to their team so that employees know how they are doing and to address any performance issues. Employees are expected to engage in dialogue with their supervisor to ensure a clear understanding of performance expectations and to identify any areas needing improvement.

Each employee's performance is formally reviewed at the end of the introductory period, and on an annual basis thereafter, to coincide with the approximate anniversary of the employee's start date with F5AC (or the anniversary date of any subsequent change in position). Performance review guidelines are provided by Human Resources for supervisors and employees to follow during the process.

Completed performance reviews signed by the employee, supervisor and Human Resources Administrator are placed in the employee's file. Employees are also provided an opportunity to the sign review. Employees may keep a copy of their review and may comment on the review in writing.

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

Professional Development

Staff Development and Training Program

F5AC encourages professional growth for all employees and has created the Staff Development and Training Program. The Development and Training team surveys staff on topics of interest and may engage local trainers to present trainings that support employees' desired growth. Any such trainings are typically offered free to employees and require supervisor approval in advance to attend. Supervisors are encouraged to allow employees to attend appropriate such trainings as work requirements allow.

Individual Professional Development

In addition to trainings through the Staff Development & Training program, employees may request up to \$500 per year to spend on their own professional development needs. Employees may request to use these funds for trainings, seminars, courses, webinars and conferences that are approved in advance by their supervisor but are not necessarily required for their particular job. Professional development books, CDs, other materials, licenses or certifications may also be requested by an employee from professional development funds.

Supervisor and Human Resources approval is required prior to payment or reimbursement of professional development funds. Detailed information about submitting professional development requests can be found in F5AC's Procedures Manual.

Part Four: Employee Benefits

Health Insurance

Employer Sponsored Health Insurance (medical, dental and vision insurance) is offered as part of the benefits package to regular, full-time and Introductory employees, as well as regular, part-time employees who regularly work 20 hours or more per week. F5AC contributes to the cost of premiums for the employee, spouse/domestic partner and/or eligible dependents, up to an amount determined annually by F5AC. If an employee chooses health insurance that costs more than the employer contribution, the balance of the cost is paid by the employee on a pre-tax basis through payroll as applicable by law. The employer contribution is only used to offset the cost of the health premiums and is not used for other purposes nor paid out to employees. F5AC's share of benefit costs for part-time employees is pro-rated to the percent of time the employee is regularly scheduled to work.

Temporary employees with temporary assignments lasting more than 60 days who regularly work 30 or more hours per week and their eligible family members are offered health insurance. For these eligible temporary employees, F5AC covers the same amount of employer share of premiums as it does for eligible regular and introductory employees. Any balance of premium costs is paid by the eligible temporary employee on a pre-tax basis through payroll. Temporary employees who work fewer than 30 hours per week and have temporary assignments lasting fewer than 60 days are not eligible for F5AC health insurance.

F5AC reserves the right to change medical, dental and vision insurance plans and benefits under those plans, to change the employer share of premium payments for the plans, or change the amount it pays employees who opt out of the plan(s) (see "Payment in Lieu" section), with or without notice, consistent with any legal obligations it may have. In general, the employer share of premiums is determined prior to each Open Enrollment period.

For the purposes of health insurance coverage, "eligible dependent" is defined as spouse or domestic partner and eligible dependent children up to age 26.

A dependent child is covered for health insurance through the end of the month when they turn 26. Dependent Life Insurance covers full-time students up to age 24.

Flexible Spending Accounts

All regular employees may enroll in F5AC's flexible spending account ("FSA") program, which allows employees to set aside pre-tax dollars to be used for eligible medical or dependent care

expenses. The IRS determines annual election limits and provides a comprehensive list of reimbursable expenses.

Carefully estimate your expenses when making an FSA election. FSA plans are “Use it or Lose it,” and they reset each calendar year. Our Health Care FSA allows employees to carryover up to \$500 from one plan year to the next. If your balance exceeds \$500 at the end of the plan year, however, that amount will be forfeited.

COBRA Insurance Continuation

If employees and covered dependents are in a position to lose health insurance coverage as a result of certain qualifying events (including termination or reduction in hours), they may have certain rights to remain on the insurance plan at their own expense through COBRA. More information regarding COBRA coverage, costs, and administrative procedures is available from Human Resources.

Employees who experience a “qualifying event” (e.g. marriage, divorce, adoption) must provide written notice to Human Resources within 60 days after the qualifying event occurs.

Payment in Lieu

Regular employees may choose not to enroll in employer sponsored health insurance if they have proof of medical insurance through another source. Regular employees who sign a waiver receive a “Payment in Lieu” of benefits at a set rate each pay period (pro-rated for part-time employees to the percent of time regularly scheduled to work). This amount is reviewed annually, generally prior to each Open Enrollment period, and F5AC reserves the right to change the amount. Payment in Lieu is subject to state and federal taxes.

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

Flexible Benefit Credit

All regular, full-time employees receive an Annual Flexible Benefit Credit (“Flex Credit”) per calendar year. This amount is reviewed annually, generally prior to each Open Enrollment period, and F5AC reserves the right to change the amount of the Flex Credit. Part-time, regular employees’ Flex Credit is pro-rated based on the percent of time regularly scheduled to work. The Flex Credit may only be applied to the cost of pre-tax plans.

After applying the Flex Credit to pre-tax plans, the remaining balance is paid to employees as a taxable earning.

Life Insurance

Regular employees who work 20 or more hours per week are eligible to apply for basic \$25,000 life and accidental death and dismemberment insurance benefit paid for by F5AC. Employees may also elect supplemental coverage at their own expense, with premium payments made on a pre-tax basis through payroll under F5AC’s Cafeteria (Section 125) Plan. Additionally, employees may elect supplemental life insurance for their spouse/domestic partner and/or dependent children at their own expense. These premiums are paid on an after-tax basis through payroll deduction.

Alameda County Employees Retirement Association (ACERA) Pension Plan

All regular, full-time employees are required to become members of ACERA, a defined benefit retirement pension plan for public employees in Alameda County.

- Participating employees are required to make a pre-tax retirement contribution to ACERA through payroll deduction. Contribution rates are set by ACERA and are subject to change each year.
- Part-time or temporary employees are not eligible to become members of ACERA.
- Full-time employees who convert to part-time or temporary status are required to continue ACERA membership.
- Additional information about ACERA is available from Human Resources or can be found at the ACERA website: <http://www.acera.org>.

457 Deferred Compensation Plan

Regular, full-time, introductory and regular, part-time employees may participate in the Alameda County Deferred Compensation Plan. Pre-tax or Roth (after-tax) contributions are made through paycheck deduction. The plan offers a variety of investment options employees can select. Employees may enroll or change their deferred compensation election at any time during the year; however, any requested changes will not be effective until the month following receipt of the requested change. For more information, contact Human Resources or visit www.acgov.org/treasurer/deferred.htm.

Workers' Compensation

F5AC pays for workers' compensation insurance as required by law to protect employees who are injured on the job. This insurance provides medical, surgical, and hospital treatment to qualifying employees, in addition to compensation for a percentage of loss of pay resulting from work-related injuries or illness.

You must immediately report any work-related injury to your supervisor, regardless of how minor the injury may seem. Contact Human Resources with questions concerning our workers' compensation coverage.

Additional Benefits

F5AC offers additional benefits to all regular employees working 20 or more hours per week including Long-Term Disability, Employee Assistance Program, Commuter Benefits and an Employee Discount Program. Enrollment and eligibility information is available from Human Resources.

Part Five: Paid Time Off

Vacations

F5AC provides paid vacation time to certain eligible employees so that they may take time off to relax, recuperate and recharge. Regular full-time, introductory employees earn paid vacation time on the following schedule, beginning on their hire date:

| <u>Service Year</u> | <u>Total Possible Annual Accrual</u> |
|---------------------|--|
| 1–3 years: | 10 days each calendar year (80 hours) |
| 4–10 years: | 15 days each calendar year (120 hours) |
| 11-20 years: | 20 days each calendar year (160 hours) |
| 21+ years | 25 days each calendar year (200 hours) |

The CEO, in consultation with Human Resources, may approve a higher vacation accrual as part of the hiring process or retention efforts. Any additional time must be documented in the employee's file.

Regular and introductory as well as part-time employees who are regularly scheduled to work twenty (20) or more hours per week earn paid vacation time on a pro-rated basis based on the number of hours worked per week. Certain long-term temporary employees may be eligible to accrue vacation, if approved in writing by the CEO. No other employee classifications are eligible for this benefit.

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

Employees may accrue vacation time up to a maximum of two (2) times their annual accrual. For example, an employee with five years of service may accrue up to a maximum of 30 days of accrued vacation time. Upon reaching this accrual cap, the accrual stops until vacation time is taken to reduce the employee's balance to below the cap. Any unused vacation time is rolled over into the following year, up to the cap.

All vacation time must be requested through the HR system, typically 4 weeks in advance, and is subject to advance approval from your direct supervisor. Please note that F5AC may not be able to approve all time off requests due to organizational needs.

F5AC encourages employees to use their accrued vacation time. Employees may, however, request to receive a vacation pay-out for some of their accrued, unused vacation in lieu of taking paid time off work. Vacation pay-out is limited to the number of hours that an employee accrues in one calendar year under this policy, and employees who request a vacation pay-out are required to have a minimum of one year's accrual remaining after the pay-out.

When ending employment for any reason, employees are paid for any accrued, unused vacation.

F5AC does not pay employees for vacation time, before it is accrued.

Holidays

F5AC generally observes the following holidays:

| | |
|----------------------------|---------------------------|
| New Year's Day | Labor Day |
| Martin Luther King Jr. Day | Veterans' Day |
| Lincoln's Birthday | Thanksgiving Day |
| Washington's Birthday | Friday after Thanksgiving |
| Memorial Day | Christmas Day through New |
| Independence Day | Year's Day (included) |

Full-time regular and introductory employees are provided a paid day off for each F5AC-recognized holiday. Part-time regular and introductory employees, and employees with a flexible work schedule who are regularly scheduled to work on the above identified holidays, are paid for that holiday up to the number of hours they are regularly scheduled to work. No other employee classifications are eligible for this benefit.

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

Paid Time Off (PTO)

All regular and introductory full-time employees receive 56 hours (7 days) of paid time off (PTO) each year in addition to vacation and paid sick leave and F5AC's regular holidays. PTO allows employees to have additional paid leave to cover absences for personal reasons such as religious observances. Eligible employees receive 56 hours of PTO on January 1 each year;

eligible employees hired during a calendar year receive a PTO allocation at the time of hire that is prorated based on the hire date. Eligible employees may request to use PTO on or following the day that it is received, including new employees, who may request to use PTO during their introductory period. Requests to use PTO should be submitted as soon as possible. Please note that F5AC may not be able to approve all PTO requests due to organizational needs.

Part-time employees are granted pro-rated PTO hours based on their regular part-time schedule.

No other classification of employees receives PTO.

The total amount of PTO an employee may have in their account at any time is 56 hours (or the pro-rated amount described above for part-time employees). If an employee has the maximum amount of PTO remaining in their account on next January 1, no additional PTO will be granted for that year.

When the employment relationship ends, employees will be paid out for any unused PTO in their final paycheck.

Paid Sick Time

Paid sick time provides all employees with paid time off to recover from illness or injury, to care for medical needs of family members, or for any other reason permitted by law, including for an employee who is a victim of domestic violence, sexual assault or stalking to obtain relief, such as medical attention and psychological counseling. For purposes of this section "family member" means mother, stepmother, father, stepfather, husband, wife, domestic partner, son, stepson, daughter, stepdaughter, grandparent, grandchild, brother, sister, foster parent, foster child, mother-in-law, and father-in-law, or any other person sharing the relationship of in loco parentis; and, when living in the household of the employee, a brother-in-law or sister-in-law.

Sick time may also be used for health care appointments for the employee or an employee's family member.

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

Temporary employees, whether full-time or part-time, are provided with three days (24 hours) of sick time at the time of hire. Temporary employees may not use sick time until their ninetieth (90th) day of employment.

Regular and introductory full-time and part-time employees' accrued, unused sick time may be carried over from one year to the next, and there is no limit to their sick time accrual. Paid sick time balances for temporary employees may not be carried over to the next year. Instead, temporary employees receive a new grant of three days (24 hours) of paid sick time every January 1.

No payment is made for accrued, unused sick time at termination or at any other time. However, regular employees who are rehired within twelve (12) months will have their sick leave balance at the time of separation reinstated. Temporary employees who are rehired within 12 months from their date of separation will also have their sick leave balance reinstated and will be

provided with three days of sick time, as described above, up to a combined maximum of six (6) days of sick time.

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

In most circumstances, a doctor's statement is required when an employee uses more than five (5) consecutive days of sick time (either for themselves, or to care for an ill family member) or when an accumulation of absences seems to establish (in the supervisor's judgment) a problematic use of sick time. However, F5AC may request medical verification of the need for any use of sick time, regardless of duration.

If sick leave is exhausted and additional time off for medical reasons is needed, employees may request or be required to use vacation and/or PTO leave, or may be granted unpaid time off. Such requests must be approved by F5AC.

F5AC County does not make any advance payments of sick time (e.g., employees may not use sick time before it is accrued). F5AC may give time off without pay to an employee who needs time off due to personal or family illness or injury as allowed above and who has exhausted their accrued paid leave (sick, PTO, and vacation).

Jury or Witness Duty

Leave is granted for an employee to serve jury duty or witness duty in response to a summons or subpoena. Regular and introductory, full-time and part-time employees receive paid time off for a maximum of two weeks when required to serve jury or witness duty (part-time employees' Jury or Witness Duty pay is pro-rated based on the percent of time regularly scheduled to work). If additional leave is required beyond the two-week period, or if the employee is not eligible to receive paid jury duty time, leave will be provided as unpaid time off. The employee serving unpaid jury/witness duty may use accrued vacation and/or PTO time during the unpaid portion of the leave.

Proof of attendance from the court is required to receive jury/witness duty pay. When an employee is excused from jury or witness duty in time to work for half or more of the normal work day, the employee is required to work the rest of that day.

Bereavement Leave

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

Temporary employees may request unpaid time off for bereavement leave. Please contact Human Resources if you need to take Bereavement Leave.

State Disability Insurance (SDI)

F5AC employees who are unable to work due to illness, injury, or pregnancy disability may be eligible for disability benefits through State Disability Insurance (SDI) for the time they are

unable to work. SDI is an employee paid benefit that provides to employees deemed eligible by the state partial replacement of wages lost because of a disability not caused by work. The determination of benefits is up to the state Employee Development Department (EDD). The first seven calendar days of an employee's absence are generally considered a "waiting period," and SDI benefits are not paid during that period. Information and claim forms are available from the local EDD office or the EDD website.

Paid Family Leave (PFL) & Paid Parental Leave

The state-administered Paid Family Leave (PFL) insurance program is an employee-paid benefit that provides to employees deemed eligible by the state partial wage replacement when an employee is taking approved time off work to care for a seriously ill family member (as defined by the state), or to bond with a newborn or newly-placed child.

The state Employee Development Department (EDD) determines your benefits. Information and claim forms are available from the local EDD office, or from the EDD website.

As a special benefit to regular employees, F5AC offers additional parental leave compensation. When a regular employee is taking an approved leave to bond with their newborn, an adopted child or a child placed in foster care, the regular employee is compensated up to 100% of their regular pay for the period they are also receiving PFL benefits. Employees requesting this special additional compensation must provide the PFL Notice of Computation from the EDD to Human Resources.

Coordination of Benefits

If an employee is receiving State Disability Insurance ("SDI"), Paid Family Leave ("PFL") or Workers' Compensation benefits, and the employee has not exhausted their accrued paid benefits from the employer, F5AC will coordinate the outside paid benefit with the employee's accrued paid benefit (to the extent permitted by law) so that total compensation does not exceed the employee's regular wages for that pay period. Employees must communicate to Human Resources the outside benefit amounts and dates paid.

Part Six: Leaves of Absence

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

Employees may request a leave of absence without pay for reasons including, but not limited to: personal or family illness, qualifying exigency arising from a call to active duty, or justifiable personal or other reasons, or any reason required by law. "Without pay" means that F5AC does not pay for time on leave, other than the accrued, unused vacation, PTO, and/or paid sick leave that the employee uses consistent with F5AC policies. The employee must submit a written request to their supervisor as far in advance of the leave as possible. Generally, no benefits or seniority will accrue during any unpaid portion of the leave. Human Resources will explain to employees requesting unpaid leave how to continue health plan coverage while on a leave of absence.

The Following General Information is Applicable to All Unpaid Leaves:

Leave Requests

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

Medical Certification

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

Concurrent Leaves

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

Unpaid Leaves

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

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

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

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

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

Eligible employees are those who have at least one year of service with F5AC, and who have worked at least 1,250 hours in the 12-month period before the date the requested leave will begin.

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

- Employees on FMLA/CFRA leave for their own serious health condition and who are receiving temporary disability benefits (e.g., SDI) or workers' compensation benefits may elect to use their paid leave to supplement their disability benefit up to an amount that, when combined with the disability benefit, does not exceed their regular pay for the pay period.
- Employees taking leave to care for a family member or for baby bonding are required to use accrued vacation or PTO. They are not required to use accrued sick leave.

- Employees on leave for pregnancy disability concurrently to FMLA may elect to use PTO or vacation time during the leave.

Employees on approved FMLA/CFRA leave retain their employer-paid health insurance.

When an authorized FMLA/CFRA leave expires, employees will be returned to the same position or to a comparable position to the extent required by law.

Non-FMLA/CFRA Medical/Family Leave

Employees who are not eligible for leave under the FMLA/CFRA may nonetheless request a leave for any of the reasons allowed for FMLA/CFRA leaves. The employee must provide evidence of one of the reasons for leave as stated in the FMLA/CFRA and provide 30 days' notice if the need for the leave is foreseeable.

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

An employee whose medical condition temporarily precludes them from working may request an unpaid medical leave of absence as a reasonable accommodation.

F5AC will generally require the employee to provide reasonable medical documentation from a health care provider verifying the employee's temporary inability to work. The duration of leave will depend on the circumstances involved, which F5AC will evaluate on a case by case basis. Employees on leave must exhaust accrued paid sick, PTO, and vacation time during the leave.

Employees who have active health insurance with F5AC at the time they request this leave, will continue to be covered by health insurance through the end of the month when the unpaid portion of their leave begins. Afterwards, employees may continue coverage under F5AC's group insurance plans at their own expense pursuant to COBRA.

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

Pregnancy Disability Leave ("PDL")

Employees who are disabled and unable to work due to pregnancy, childbirth, or a related condition are eligible to request a leave up to four months per pregnancy. PDL does not need to be taken all at once but can be taken on an as-needed basis as certified by the employee's health care provider.

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

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

Workers' Compensation Leave

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

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

Employees must exhaust all accrued sick, vacation, and PTO during this leave. The exception to this is that employees receiving workers' compensation benefits whose leave runs concurrent with FMLA/CFRA leave are not required to use their paid leave but may elect to do so.

Employees who are covered by F5AC health insurance at the time their leave commences, and who do not have FMLA/CFRA leave running concurrently, will remain covered by F5AC health insurance coverage through the end of the month when the unpaid portion of their leave begins. Thereafter, employees may generally elect to continue coverage under F5AC's group insurance plans at their own expense pursuant to COBRA.

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

Personal Leave of Absence

F5AC may grant time off without pay to an eligible employee who requests time off for personal reasons and who has exhausted their accrued paid vacation and PTO leave. Time off granted in this circumstance, if any, is limited to a maximum of three (3) days. If an employee needs additional time away from work, the employee should request a Personal Leave of Absence.

F5AC may consider granting a personal leave of absence without pay. Personal leaves are limited to a maximum of two months in any two-year period (measured in a rolling 24-month period). Personal leaves may generally not be added to any of the previously described leaves.

All regular employees of F5AC who have completed their introductory period may request an unpaid personal leave of absence. Job performance, attendance, and work/program requirements are all taken into consideration before a request is approved. Requests for unpaid personal leave may be denied or granted by F5AC within the sole discretion of the Agency.

Personal leaves of absence must be requested in writing, and 30 days' advance notice is required if the need for leave is foreseeable. All requests must first be reviewed and recommended by your supervisor and the Human Resources Administrator and approved by your director.

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

Employees who have active health insurance with F5AC at the time of their unpaid personal leave will have paid health insurance coverage through the end of the month when the unpaid portion of their leave begins. Thereafter, employees may continue coverage under F5AC's group insurance plans at their own expense pursuant to COBRA.

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

Upon expiration of an approved personal leave, the employee will generally be returned to the same or comparable position, but there is no guarantee of reinstatement following a personal leave.

Catastrophic Sick Leave Bank

An employee may be eligible to receive voluntary donations of paid leave from other employees if they have suffered a catastrophic illness or injury, or if they must care for an immediate family member (as defined in the Sick Time policy in this Handbook) who has suffered a catastrophic illness or injury. Catastrophic illness or injury is a critical, terminal medical condition or a long-term major physical impairment or disability that temporarily prevents the employee from working their usual hours, or from working at all.

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

Any regular F5AC employee working 20 or more hours per week is eligible to participate in the CL Bank, either by donating paid vacation leave, or by requesting a donation. The donor employee may donate accrued paid vacation time only. No other paid time off may be donated to the CL bank. The donor’s hourly value of paid vacation time donated will be converted into a dollar value and deposited into the bank. Subsequently, CL leave will be withdrawn from the bank and converted into paid sick hours to be granted to eligible requesting employees.

To be considered for a CL Bank donation, the requesting employee, family member of the requesting employee, or another person designated in writing by the requesting employee must submit a request for donation to Human Resources. Human Resources administers the Catastrophic Leave Bank.

The requesting employee must provide a medical verification of the employee’s qualification for this CL program, including an explanation of the employee’s work limitations and estimated date of return to work, if applicable. If the employee requesting CL benefits has left work to care for a critically ill family member, they must provide medical documentation confirming the critical illness/injury of the family member, the need for the employee’s care, and the expected duration of the care period is required for the family member.

The determination of whether to award employee donations from the CL bank will be at F5AC’s sole discretion and will be final (e.g., not subject to challenge).

While the CL bank donation request may be initiated prior to the anticipated date of the exhaustion of paid leave balances, the requesting employee is not eligible to receive and use donations when they have paid leave available. No retroactive requests will be permitted (e.g., employees will not be granted donations for time off already treated as unpaid leave). Exhaustion of paid leaves alone is not justification for requesting a donation from the catastrophic leave bank.

A requesting employee may be eligible to receive up to a total of 40 working days of donated CL time throughout the tenure of their employment. Donations are considered on a first-come, first-served basis. Donations from the bank may be received only if there are funds available in the bank.

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

Donations are made in half day increments. Once the donation is made, and deposited in the CL Bank, it is a final transaction and cannot be retrieved by the donating employee. The maximum donation in a calendar year is ten donor days per employee, except spouses or registered domestic partners, both employed by F5AC, may donate unlimited amounts of paid vacation time between one another. In any case, donations that would result in vacation leave balances falling below 40 hours are not permitted.

Part Seven: Work Hours & Pay

Pay Periods

For all employees, the standard pay period is biweekly. Employees are paid every other Friday. If the payday falls on a holiday, employees generally receive pay on the prior work day.

Work Schedules

The regular work schedule is from 8:30 a.m. to 5:00 p.m. Monday through Friday. Some employees may have different work hours and/or a 9/80 Schedule if agreed in writing by the employee and their supervisor, and reviewed/approved by Human Resources. Any alternate work schedule is subject to the demands and limitations of the job and department.

9/80 schedule

Any regular full-time employee scheduled to work at least 40 hours per week is eligible to request a 9/80 schedule. A 9/80 schedule allows an employee to work 9 days, instead of 10 days, in a 2-week pay period. This schedule typically consists of: eight 9-hour days and one 8-hour day, with every other Friday off, in a single 80-hour pay period. : Five days on one calendar week and 4 days the following calendar week. Eight of the days are 9 hours and one day is 8 hours. Employees on this schedule receive one day off per 80-hour pay period. Employees approved for this schedule sign a written 9/80 agreement and cannot accumulate 9/80 days off. Hourly employees cannot change 9/80 days off. Exempt Employees may need to adjust their Flex days due to organizational needs or their manager's request.

Meal Periods

Non-exempt employees who work five (5) hours or more should take an unpaid lunch break of a minimum of thirty (30) minutes (up to one (1) hour if desired) towards the middle of their work day. No work should be performed during the unpaid meal period. On the rare occasion when work requirements of F5AC make it impossible for the employee to be completely relieved of all duties during their lunch break, the employee must note this on the time card, and inform their supervisor, and they will be paid for their meal period. Employees may not skip meal breaks to shorten the workday without prior approval from their supervisor.

Timekeeping Requirements

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

Exempt employees should accurately complete a time sheet for each pay period showing their regular work schedule and any paid or unpaid leave taken.

Overtime Pay

F5AC provides overtime compensation to non-exempt employees for all hours worked in excess of 40 hours per workweek. All overtime must be approved in advance by the supervisor and the Director of Operations and Technology.

At the option of the employee, F5AC offers compensatory time off (CTO) as a substitute for overtime pay. For all hours worked in excess of 40 in the workweek, the employee may elect to receive CTO at the rate of one and one-half hours of paid time off for each hour of overtime worked, up to a maximum of 240 CTO hours. Any employee wishing to receive CTO instead of overtime compensation must have a written CTO agreement on file with HR in advance of performing the overtime work. When the employee takes off the compensatory time earned will be determined between the employee and the supervisor; however, employees are encouraged to take compensatory time off as soon as possible after it is earned. F5AC does not unreasonably deny such requests.

Taking paid time off work, such as vacation, PTO, holiday, and sick time, does not constitute hours worked for the purposes of computing overtime.

Bilingual & Trilingual Pay

If an employee is required by their job duties to use a second or third language at least 20% of the time on the job (in the sole determination of F5AC), the employee or the employee's supervisor may request [of whom?] that the employee be provided bilingual or trilingual pay.

Prior to any recommendation or approval for this special pay, the employee must first pass a language proficiency exam administered through F5AC's designated testing agency. A passing score is 70%. If the eligible employee passes the test, and F5AC approves, an additional taxable earning will be added to the employee's paycheck each pay period in an amount consistent with the Alameda County bilingual or trilingual pay rate.

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

Part Eight: Workplace Health & Safety

Drug-Free Workplace

As part of F5AC's ongoing commitment to a safe and healthy workplace, we maintain a drug-free workplace. Any employee who reports to work while under the influence of drugs or alcohol runs the risks of endangering their safety and the safety of others, destruction of or damage to personal property or F5AC property, and a loss of productivity and workplace morale.

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

- Use, possession, purchase, sale, manufacture, distribution, transportation, or dispensation of alcohol or drugs. (The sole exception to this is the appropriate use or possession of prescription or over-the-counter medication that does not impair the ability to work safely and effectively.)
- Reporting to work, or working, while under the influence of alcohol or drugs.

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

Smoking

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

Part Nine: Work Practices and Environment

Punctuality & Attendance

If employees are unable to work as scheduled, they must so inform their immediate supervisor prior to the start of the work day or, in any event, no later than one hour following their regularly scheduled start time. Employees must also keep their supervisor informed about the expected length of time away from work.

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

Unexcused or frequent lateness or absenteeism is not permitted.

Facilities & Property Use

Employees are expected to treat F5AC facilities and property with respect and to keep their work area and common areas clean and well-maintained. F5AC equipment use is limited to work-related purposes. Employees must have written supervisory approval prior to removing any F5AC property from the premises. Employees may decorate their own work spaces, as long as decorations are consistent with F5AC policies and project a professional image appropriate to our work. Employees must have Office Manager approval before making any changes to public spaces or common areas.

Visitors

All visitors must sign in and out at the front desk, and receive a visitor badge to wear in the office. Visitors should stay in the reception area until escorted by an employee. Please keep non-work-related visitors to a minimum to be mindful of interruptions to coworkers.

Security

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

We encourage employees to be prudent about bringing personal items to work. F5AC is not responsible for losses resulting from property theft.

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

Breastfeeding-Friendly Workplace

F5AC recognizes that breastmilk is the optimal food for infants' growth and development, and encourages all employees to have a positive, accepting attitude toward working women and breastfeeding. F5AC promotes and supports breastfeeding and the expression of breastmilk by breastfeeding employees.

F5AC provides:

- Information about breastfeeding support prior to employees' leave for pregnancy disability or related condition.
- Reasonable time to express milk or breastfeed. Supervisors are encouraged to consider flexible break times, schedules, or other reasonable accommodation to meet employees' needs.
- A designated Lactation Room, furnished with an electrical outlet, refrigerator for breastmilk storage, comfortable seating, a table, and appropriate furnishings/signage to ensure privacy.

Children in the Workplace

F5AC values family and work-life balance and strives to create an employee-friendly workplace. Our employment policies and benefits reflect our beliefs. F5AC also believes in creating an environment that is conducive to work and generally should not be used in lieu of child care.

While we are sensitive to our employee's childcare needs, it is not appropriate for minor children and other minor relatives of employees to be in the workplace during working hours, except for brief visits. This policy has been adopted to minimize potential liability to F5AC, the risk of harm to children, and decreased employee productivity due to distractions and disruptions.

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

Remote Work

Remote Work is a pre-authorized arrangement where some of the employee's work is performed at home. Remote Work is a privilege that may be appropriate for some employees and some jobs. It is not an entitlement or Agency-wide benefit. A Remote Work arrangement in no way changes any other terms or conditions of employment with F5AC.

Remote Work can be short-term, such as occasionally working from home for a short-term project with the pre-approval of the supervisor/manager, or long-term as described below. All Remote Work arrangements are made on a case-by-case basis at the discretion of the supervisor and are memorialized in writing in advance. The specific work to be performed and the projected amount of time expected before permission is granted, even for short-term Remote Work arrangements. All employees who work remotely are responsible for a safe home workplace, and for taking appropriate steps to safeguard F5AC confidential information. Non-exempt employees working remote are required to reporting hours worked timely and accurately.

Requests for a Remote Work arrangement are considered on a case-by-case basis when an employee's work can reasonably be carried out from home without unduly impacting either the employee's own level of work productivity or that of their fellow employees. In general, Remote Work requests are considered only for employees who have passed their probationary period,

have received above satisfactory performance reviews, and have demonstrated their ability to manage their work independently. Due to the high degree of interaction required for most positions at F5AC, Remote Work schedules are generally limited to one (1) day per week, or a maximum of 25% of the employee's regularly scheduled work hours.

Requests for Remote Work arrangements must be made using F5AC's Remote Work Application Form and require approval by the supervisor, Senior Administrator (if applicable), and HR Administrator. If the Remote Work arrangement is approved, the employee will be required to sign a Remote Work Agreement and complete a self-certification safety and security checklist before beginning remote work.

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

The remote work policy above has been altered due to COVID to remove the need to request for a Remote Work arrangement but it is not altering the employees work duties, hours or level of performance. This is temporary and may change at anytime without warning.

Personal Automobile Use

Prior to using their personal vehicle for work, employees must have supervisory approval and provide a copy of their driver license and proof of personal automobile insurance (with required minimum coverage for property damage and public liability). Employees who use their own automobiles for travel on authorized F5AC work will be reimbursed for mileage at the rate established by the Internal Revenue Service.

Use of the personal vehicle for work does not include the normal commute between work and the employee's home.

Attire

Attire at F5AC should enable our employees to be comfortable in the workplace, while also projecting a professional image to co-workers, clients, partners, volunteers, and the general public.

The following guidelines have been developed to provide general parameters for appropriate work attire and to help you exercise good judgment about items not specifically addressed. A clean and neat appearance should be maintained at all times. In all situations, clothing should be comfortable and practical for work, but not distracting, revealing or offensive to others. Torn, frayed, ripped, messy or overly casual clothing are not considered appropriate for the office.

Employees may observe dress and/or grooming practices consistent with their religious beliefs, and employees requiring special clothing accommodation for any reason should advise their supervisor or Human Resources in advance. Supervisors, in collaboration with HR, are responsible for interpreting and monitoring dress and grooming standards, including counseling employees whose attire is inappropriate.

Expense Reimbursement

Reasonable and customary expenses incurred in the performance of one's job will be reimbursed. Reimbursement requires prior authorization by the employee's immediate supervisor, written approval, itemized actual expenses, and the employee's signed expense reimbursement form with all required documentation/receipts attached. Employees should consult the Finance team or the F5AC Procedures Manual for specific instructions.

References

F5AC provides limited reference information about current and former employees to prospective employers. References may only be provided by Human Resources. Any employee who receives a request for references or information about any current or former employee must refer this request to Human Resources.

Upon receiving a written request, and a signed authorization by the employee, F5AC only discloses employment dates, job titles and final/current earnings.

Part Ten: Communication & Technology

Technology, Voicemail and Email

F5AC employees are permitted to use F5AC's voice mail, electronic mail, computers, networking sites and internet access (collectively "Technology Systems") to communicate with others for work purposes. The email system is primarily used for F5AC or work-related email, and not for personal purposes. Minimal personal use is permitted, provided any use is during non-working time only, and that it does not interfere with the employee's work responsibilities. Employees are not permitted to use F5AC's Technology Systems to send jokes, comments or information to others that may be perceived as discriminatory, harassing, offensive, or disruptive, or otherwise in violation of any F5AC policy. Any technology provided by F5AC may not be used to send material that disparages an individual, company, or business entity, or to disclose personal or confidential information without authorization.

Employees may not install, copy, stream, or download software onto F5AC computers unless authorized by the IT team. Employees are also prohibited from downloading personal files onto work computers.

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

Social Media

F5AC has a social media presence and we encourage our employees to connect to help spread the word about the great work that we're doing and the services and support that are available to children and families in Alameda County. Use of social media presents certain risks and carries responsibilities.

Social Media includes all means of communicating or posting information or content of any sort on the Internet whether or not associated or affiliated with F5AC. The same principles and guidelines found in F5AC's policies apply to your activities online that may relate to F5AC. Ultimately, you are solely responsible for what you post online. Keep in mind that any conduct on social media or otherwise that adversely affects your job performance, the performance of fellow employees, or otherwise adversely affects staff, volunteers, contractors/grantees, vendors, or any other people who work on behalf of or receive services from F5AC is not permitted.

Employees are expected to ensure their social media postings that may relate to F5AC are consistent with these and all other F5AC policies.

Always be respectful

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

Be honest and accurate

Make sure you are always honest and accurate when posting information or news that may relate to F5AC, and if you make a mistake, correct it quickly. Be open about any previous posts you have altered. Remember that the Internet archives almost everything; therefore, even deleted postings can be searched. Never post any information or rumors that you know to be false.

Be conscious about mixing your work and professional lives

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

F5AC's social media presence

The Communications team is primarily responsible for our Social Media presence. Only designated staff may post content on F5AC-affiliated social media sites. Employees who have ideas, suggestions, or resources for posts are encouraged to share them with the Communications team.

Employee Information & Records Inspection

It is important that employee files are current. Employees should update their information in the HR system (address, phone, emergency contacts, etc.) and inform Human Resources when there are changes, such as marital status, domestic partnership, and number of dependents, that may affect pay or benefits.

Employees have the right to inspect employee records relating, e.g., to their performance or to any grievance concerning them, or otherwise as permitted by law. Employees wishing to inspect personnel records may do so during regular office hours, after a written request is made to the

Human Resources Administrator. An inspection request form is available from Human Resources and also on the F5AC intranet that employees may use to make their request. Records will be made available for inspection within 30 days of receipt of the written request. An appointment to inspect the file is made with the Human Resources team, who is present with the employee while they inspect the file. Employees may receive copies, at their own cost, of any document in their employee file to the extent required by law. Employee records are the property of F5AC and are not allowed to be taken from Human Resources without prior written authorization.

Internal Communication

We use bulletin boards, mailboxes, meetings, intranet, and email to regularly communicate important F5AC information. Each of our employees is responsible for reading posted or distributed information.

Media Relations

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

Part Eleven: Conduct

Workplace Conduct

F5AC requires employees' cooperation, efficiency, productivity, and compliance with all policies and procedures. We treat each other with dignity and respect at all times at work and in work-related situations.

Some examples of conduct that may result in disciplinary action, up to and including immediate termination, include, but are not limited to:

- Substandard job performance
- Unauthorized or frequent tardiness or absenteeism
- Rudeness or discourtesy or disrespect toward a fellow employee, supervisor, volunteer, supporter, or member of the general public
- Fighting, roughhousing, bullying, or engaging in violent or threatening language or gestures, or conduct that is abusive, hostile, or disrespectful (such as slandering or ridiculing others, making false accusations, humiliating others in public, or shunning/ostracizing others, etc.)
- Theft of or unauthorized use of F5AC or a coworker's property
- Disregarding established safety or security procedures, or creating an unsafe work situation for anyone
- Refusing to perform a work-related task when directly instructed to do so by a supervisor or member of management
- Possessing a weapon or firearm on F5AC's property
- Violating F5AC policy prohibiting workplace discrimination, harassment, and retaliation, or violating any other F5AC policy

Open Door Policy

F5AC has an open-door policy that encourages employee participation in decisions affecting them and their daily professional responsibilities. Employees who have a different opinion, misunderstanding or conflict with another F5AC employee are encouraged to address the situation directly with the employee(s) involved, if it is appropriate and safe to do so. We also

encourage employees who have job-related problems or complaints to talk them over with their supervisor or a manager at any level of management. We believe that employee concerns are best addressed through informal and open communication.

To the extent possible, F5AC maintains confidentiality in addressing and resolving concerns brought to its attention. However, while investigating and resolving concerns, some information will likely be shared on a need-to-know basis.

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

Disciplinary Procedures

While F5AC may use any disciplinary step, it concludes is appropriate given the circumstances, including immediate termination, any, all, or none of the following disciplinary steps may be taken, as appropriate:

- **Record of Counseling:** The supervisor counsels the employee, generally following a relatively minor offense to communicate or clarify acceptable conduct or performance. Counseling records are documented by the supervisor and placed in the employee's employee file. They are signed by the employee to acknowledge receipt of the Record of Counseling.
- **Written Warning:** The supervisor presents the written notice of corrective action, or written warning, to the employee in person. A written warning includes a description of the misconduct or performance problem, degree of seriousness and the consequences if the problem is not corrected. Written warnings are signed by the employee to acknowledge receipt and placed in the employee's file.
- **Suspension:** Employees may be suspended without pay for a period of time for relatively serious offenses at the sole discretion of F5AC.
- **Discharge:** Termination can result from a single, serious offense, or it can be the final step in a process designed to correct offenses or performance problems. It can also occur as the result of conduct inconsistent with F5AC policy.

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

The use of any of the above disciplinary procedures in no way alters the at-will employment relationship.

Conflict of Interest

It is important that employees avoid conflicts of interest. A conflict of interest is a situation where an employee's personal or economic interest interferes or may interfere with, influence, appear to interfere or influence, or is, in the judgment of F5AC, incompatible with the employee's duties and responsibilities at F5AC or with F5AC's general activities. A conflict may exist even if the conflict or incompatibility has no adverse impact on job performance.

In compliance with California's Political Reform Act, designated employees complete a Statement of Economic Interests (Form 700) within 30 days of hire, annually and within 30 days of terminating employment.

If employees have outside employment, they must advise their supervisor and the Finance Officer.

Any employee needing advice about a potential conflict of interest should contact the Finance Officer or Human Resources Administrator. Outside employment that may or does create a conflict of interest with the employee's employment at F5AC will not be permitted.

Confidentiality

Careful custody and handling of F5AC files, documents or materials (in hard copy or electronic format), and especially those files and documents containing confidential information, is critically important to the well-being and success of F5AC and our clients. Each employee is responsible for safeguarding against the theft, loss, and unauthorized use or disclosure of this information and for following F5AC's best practice policies and procedures addressing confidentiality including, but not limited to, HIPAA compliance. Further, employees must not, directly or indirectly, disclose any F5AC-related confidential information to any other person except as necessary to perform their job responsibilities. Employees who have access to confidential information must take all steps necessary to ensure F5AC confidential information is handled, stored, transmitted or destroyed, if appropriate, in a way that protects against loss or misuse, as outlined in F5AC's Confidentiality Procedures Manual.

Confidential matters include, but are not limited to:

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

Private and confidential information should be given or disclosed only those who have both the need and authority to know about the information to properly perform their jobs.

Further, data contained in F5AC web-based applications is also subject to HIPAA compliance and Agency Confidentiality best practices policies as outlined in F5AC's Confidentiality Procedures Manual and training.

Employees are expected to maintain F5AC confidential information as confidential even after separation from F5AC. Employees will, at F5AC's request at any time and/or when employment terminates, return all documents, papers, computer files or storage devices, web application passwords, or any other material in their possession that may contain or be derived from F5AC confidential information.

External requests for documents or information, including those that may be governed by the Public Records Act, must be referred immediately to the Chief Executive Officer, Director of Operations & Technology or Finance Officer.

Part Twelve: Ending Employment

Voluntary Termination

In all cases of voluntary resignation (e.g., separation of employment that is voluntarily initiated by the employee), employees are asked to provide a written notice to their supervisor at least 10 working days in advance of their expected last day of work. If F5AC asks an employee who has voluntarily resigned to leave our employ before the end of the notice period (for example, if a replacement is to begin immediately), the employee will be paid for the entire notice period, up to a maximum of two weeks.

Employees may use available accrued vacation and PTO to extend their employment for up to 4 weeks following their final day in office.

Human Resources will coordinate and/or conduct an exit interview with each employee who voluntarily terminates employment prior to the employee's exit from F5AC. These conversations enable F5AC to gather important information about employee policies and procedures, and the work environment, that may be of benefit to many other employees. Although exit interviews are not mandatory, employees are encouraged to participate in them and to speak frankly about their employment experience with F5AC.

Payroll and Returning F5AC Property

All employees separating from F5AC receive their final paycheck on the next regularly scheduled payroll date. Employees are required to return all F5AC property or equipment to the Human Resources or the Office Manager before leaving on their last day of work.

Reduction in Workforce

In the event F5AC requires a reduction in workforce, guidelines similar to these may be used.

In its sole discretion, F5AC determines: when and whether it is necessary for a reduction in force (RIF); which employees are affected by the RIF; and the implementation method. Generally, we give primary consideration to the program and F5AC's needs and circumstances.

- To reduce the need for a potential RIF, employees may be hired for temporary positions, with the duration of the position dependent on funding. Employees hired for temporary positions are not eligible for severance pay but may be eligible to receive outplacement services at the conclusion of the temporary position.
- F5AC may reduce positions through attrition instead of RIF.
- F5AC may require a furlough (e.g., require employees to work fewer hours per week or take a specified period of time off work without pay). During the period of furlough, F5AC will attempt to maintain employees' health and dental insurance benefits at the same level as they were prior to the furlough for a period not to exceed eighteen (18) months.
- F5AC may reduce positions from full-time to part-time depending on program needs and funding availability. If F5AC reduces a position to part-time, we will attempt to maintain the employee's health and dental benefits at the same level immediately prior to the hours reduction for a period not to exceed eighteen (18) months, and subject to any future changes in the F5AC's benefit package. Employees who voluntarily request a part-time schedule are not eligible for this benefit.
- F5AC may eliminate positions. We will determine if the RIF will occur on an agency-wide basis or in one or more programs, departments, and/or classifications.

Length of Service

An employee's length of service is measured from the original employment date with F5AC (including time as a County employee, Tri-Net employee, Diversified employee, or F5AC employee) as long as there has not been a break in service greater than 30 days (not including leave protected by law. Approved legally-protected leaves do not constitute a break in service).

Notice

Employees selected for RIF through position elimination will be given at least 10 business days' notice of the proposed final employment date.

Severance Pay

If positions are eliminated due to RIF, F5AC may authorize severance pay of two weeks' regular base salary or pay (e.g., the employee's regular base salary or regular straight-time hourly wages for the time period) less applicable tax and other withholdings, for every year of

continuous service (according to the above length of service definition), not to exceed eighteen (18) weeks of pay. If severance pay is authorized, it will be paid in one lump sum on or after the termination date, and, according to ACERA, is not pensionable.

To receive severance pay, if payment is authorized, employees must first sign a waiver releasing F5AC from any and all liability related to their employment with F5AC and their separation from employment. Refusal to sign the waiver within the allowed period and/or lawful revocation of the waiver renders an employee ineligible to receive severance pay.

In addition to severance pay, F5AC may also make a payment equivalent to \$500 per year of service (as defined above in the length of service definition), but not to exceed \$3,000 total, to help with the cost of health insurance. This payment, if authorized by F5AC, will be made in one lump sum, and will be issued at the same as severance pay. To receive the payment described in this paragraph, if authorized, employees must first sign a waiver releasing F5AC from any and all liability from their employment with F5AC and their separation from employment. Refusal to sign the waiver within the allowed period and/or lawful revocation of the waiver renders an employee ineligible to receive severance pay.

If an employee who was previously part of a RIF and received any severance pay is rehired and then subsequently laid off, that employee may be eligible for severance only up to a maximum of eighteen (18) weeks of pay when all severance payments (e.g., from the first and second RIFs) are combined.

Outplacement Services

Employees whose positions are eliminated in a RIF, or who were hired for temporary positions in connection with a RIF, may be eligible for F5AC outplacement services. These services are designed to help F5AC employees find positions in Alameda County where they can continue to use their skills and expertise on behalf of children aged 0 to 5 years. Outplacement services, if provided, will not exceed three months following the date of separation. F5AC makes no guarantee that utilizing its outplacement services will result in an employment offer.



Acknowledgment

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

Employee Name

Employee Signature

Date

Change Log

| Item | Date |
|---|------------|
| Original adoption of Employee policies adopted by Commission | 5/21/2004 |
| Handbook Update - Approved by Commission Includes addition of fingerprinting under "Work Eligibility", "Tools and Technology"; and "Bilingual Pay". Medical and Dental Insurance sections rewritten to reflect current benefit structure; "Floating Personal Days" and "Personal Use Time" merged under "Paid Time Off (PTO)"; "Unpaid Time Off and Leaves of Absence" section reformatted to include matrix of leaves | 5/26/2005 |
| Addition of Catastrophic Leave Bank – approved by Commission | 9/29/2005 |
| Year End Manual Clean-up – reviewed by Executive Committee | 6/19/2006 |
| Year End Manual Clean-up – reviewed by Executive Committee Includes Addition of Professional Development, Payment in Lieu Long Term Disability, Children in the Workplace, Telecommuting, & References sections; Change in Full Time Status definition, Remove Position Description section | 5/22/2008 |
| Formatting Update | 2/25/2009 |
| Year End Manual Clean-up – reviewed by Executive Committee Includes addition of Paid Family Leave, Breastfeeding-Friendly Workplace section Addition of Reduction in Workforce section – approved by Commission 12/11/08, with addition of severance pay cap 3/26/09 | 6/25/2009 |
| Year End Manual Clean-up – reviewed by Executive Committee Includes Addition of Personal Leave of Absence modifications to sick leave policy - approved by Commission on 12/10/09; Deleted Tools and Technology benefit – approved by Commission on 12/10/09 | 6/24/2010 |
| Year End Manual Clean-up – Reviewed by Executive Committee Addition of Child Abuse Reporting, Confidentiality policies & Temporary Military Duty Leave; Removed Lent to Other Government or Educational Institution Leave | 12/8/2011 |
| Deleted ACERA offset benefit – approved by Commission on 12/13/12 | 12/13/2012 |
| Year End Manual Clean-up – Reviewed by Executive Committee Revisions to Unpaid Leave section, including deletion of the Matrix format, Separation of Pay Periods into Pay Periods and Work Schedules, addition of Reasonable Accommodation Leave, Social Media, Media Relations; Removed Educational, Temporary Military Duty and Military Leaves | 5/23/2013 |
| Year End Handbook Clean-up – Reviewed by Executive Committee Consolidation of Medical and Dental Insurance sections, deletion of Wage Garnishments and Appeal of Serious Discipline sections | 6/26/2014 |
| Year End Handbook Clean-up – Reviewed by Executive Committee, including modifications to Sick Time to reflect provisions in the Healthy Workplace Healthy Family Act, and to Health and Dental Insurance to reflect provisions in the Affordable Care Act | 6/18/2015 |
| Year End Handbook Clean-up – Approved by Commission on 6/16/16 Title change from "Employee Policies and Procedures Handbook" to "Employee Handbook" Addition of "Paid Time Off" usage during Introductory Period Addition to Eligibility of Dependent Children of Temporary Employees; Employer Share of Health and Dental Premiums for Temporary | 6/16/2016 |

| | |
|---|------------|
| Employees and Their Eligible Dependents; Definition for Eligible Dependents; Vacation Time off Requests; Modification to “Workplace Conduct” | |
| Addition of \$500 per Fiscal Year for Professional Development, to Be Reimbursed After Completion of Course(s) – Any Unused Funds Will not Carryover | 7/20/2016 |
| Addition to Leaves of Absence – Paid Leave, Work Hours and pay – Flex schedule | 8/18/2016 |
| Modify Leaves of Absence – Paid Leave | 6/15/2017 |
| Week of Christmas Off & 3% Cola Eff. 01/26/18; In Lieu update from \$125 per month to \$137.50 per month - Approved by Commission. | 12/14/2017 |
| Year End Handbook Clean-up – Approved by Commission Includes Extension of Employee’s Introductory period, modify Leaves of Absence – Unpaid, Paid Sick Time, Workplace Conduct | 6/21/2018 |
| Modify Benefits & CA Paid Family Leave – Approved by Commission | 12/13/2018 |
| Handbook Clean-up – Approved by Commission, including updates to approval levels and titles, Reasonable Accommodation, Replaced Policy Prohibiting Harassment & Discrimination, Benefits, Added “additional benefits” section, Vacations, Jury Duty, Pay Periods, 9/80 Schedule, Bereavement, Leave Policies and Catastrophic Leave Bank, Paid Parental Leave, Children in workplace, Telecommuting has been renamed Remote Work, Attire, Technology-Voicemail & Email, Social Media, Workplace Conduct, Open-door Policy, Conflict of Interest, Voluntary Employment Terminations, Reduction in Workforce. The following have been removed: References to pre-employment/onboarding processes, sections on Employing Commissioners, Executive Benefits Package, Long-Term Disability, Payroll Deductions, and Parking. | 10/17/2019 |
| <u>This section is reserved for the approved changes by Commission for the 2020 handbook review</u> | |



To: First 5 Alameda County Commission

From: Kristin Spanos, CEO

Date: October 15, 2020

Subject: Personnel Benefits Recommendation ~ General Election Closure & Agency Closure Thanksgiving week 2020

REQUESTED ACTION

That the Commission review and discuss the recommendation to adopt and implement agency closure every four years in observance of our nation's presidential general election, for a total of 1 business day. Additionally, grant three days off Thanksgiving week, 11/23/20-11/25/20, as a one-time appreciation to staff for their continued hard work, sacrifice and extraordinary management balancing personal obligations with work during the COVID-19 pandemic (for a total of 3 business days).

BACKGROUND

Presidential general elections occur every four years. They are the process by which we elect the President of the United States of America and as such they serve as the foundation of our nation's democracy. As a demonstration of our organizational commitment to our national democratic process and to ensure staff's ability to exercise their individual right to participate, through voting and engaging in civic volunteering, we propose to grant staff the official presidential voting day off. The agency will distribute information to all staff from the County's Registrar of Voters detailing election worker volunteer opportunities.

The past six months have been astonishingly unusual for the entire world due to the pandemic. We now find ourselves working remotely, sheltering-in-place intermittently due to unhealthy air quality and staff caring for loved ones, with many home-schooling children. First 5 administered a staff survey in August to assess staff needs and better ways to support employees during these unprecedented times. The findings revealed a common theme of staff struggling to strike a work-life balance. Organizationally, though we have been flexible with work schedules and encouraged use of benefits like our employee assistance program, we have not yet awarded additional personal time off. In considering staff feedback and need, I arrived at recommending granting all staff three additional personal days prior to Thanksgiving. The following points were considered for this recommendation:

- This is an opportunity to support and demonstrate appreciation for staff;
- It affords employees the opportunity to relax and rejuvenate with less of a worry about additional work when they return, as their fellow co-workers will also be off, and;
- Many staff are homeschooling their children; granting these days off at a time many schools are also closed is a family friendly policy that aligns with the agency mission of First 5.

FISCAL IMPACT

The fiscal impact is negligible as salaries and benefits are budgeted in the current year and any potential operational savings due to office closure are already assumed due to remote work.

RECOMMENDATION

That the Commission approve and grant the closure of the agency every four years for the presidential general election, and grant a three-day agency closure (11/23/2020-11/25/2020) effective only for the current year as a token of appreciation to staff for their service the past six months during the ongoing pandemic.

Submitted by:

DocuSigned by:
Kristin Spanos
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Kristin Spanos,
Chief Executive Officer

Reviewed by:

DocuSigned by:
Mojgan Vijeh
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Mojgan Vijeh,
Director of Operations and Technology

FIRST 5



**Help Me Grow
Commission Update**
October 2020



Goals / Meeting the Moment

1. Update the Commission on strategic plan progress related to Help Me Grow
2. Leverage state policy opportunities
3. Solicit input and buy-in from the Commission about future direction as we head into our next strategic plan



Current & Ideal Impact

Need & Opportunity



Approximately **43,000** children under 6 enrolled in Medi-Cal in Alameda County.



We estimate that **1 in 4** of those families have a developmental, trauma and/or social determinant of health need.

Bringing HMG/Care Coordination to Scale:

| | | Current Impact | Ideal Impact |
|--|--|----------------|--|
| | Developmental Screenings in pediatrics | 15,000 | Widespread adoption across pediatrics |
| | Care Coordination | 3,000 | Scale to ~10,000 to meet need of the 1 in 4 families |

Help Me Grow

Help Me Grow Referral System Flow Chart

Early Identification & Developmental Screening

Training and TA provided on early identification and referral practices



Child Welfare



Community Based Organizations



Home Visiting



WIC



Pediatric Providers



Preschool and Early Learning



HMG Dev. Screening Program



Parents & Caregivers

Seeking support for parenting and child development questions and concerns, or family needs



HMG Centralized Access Point & Care Coordination

Staffed and supported by Child Development Care Coordinators who:

- Respond to phone calls and referrals from families and providers
- Provide developmental and social-emotional guidance, activities, and information
- Explore family needs (e.g. child care, food resources, etc.)
- Work with family to determine next steps and explore service/resource options
- Provide connection to services and follow-up and work to remove any barriers to connectivity
- Provide connection to a Family Navigator, when requested, to provide in-person care coordination and family navigation support
- Provide feedback and communication to the referring provider and to the child's medical home (with family permission)

FEEDBACK LOOP



Community Support Services and Family Support

Community-based interventions and/or support services to promote child developmental /social-emotional well-being and family well-being, such as:

Child care and preschool

Playgroups

Family Resource Centers

Financial Resources

Basic Needs: Food, Housing

Parent/child activities

Parenting Education & Support

Parent Mental Health

Legal Resources



Treatment/Intervention System

Specialty Mental Health

Insurance-based developmental and mental health therapies

Regional Center

SELPA/School Districts

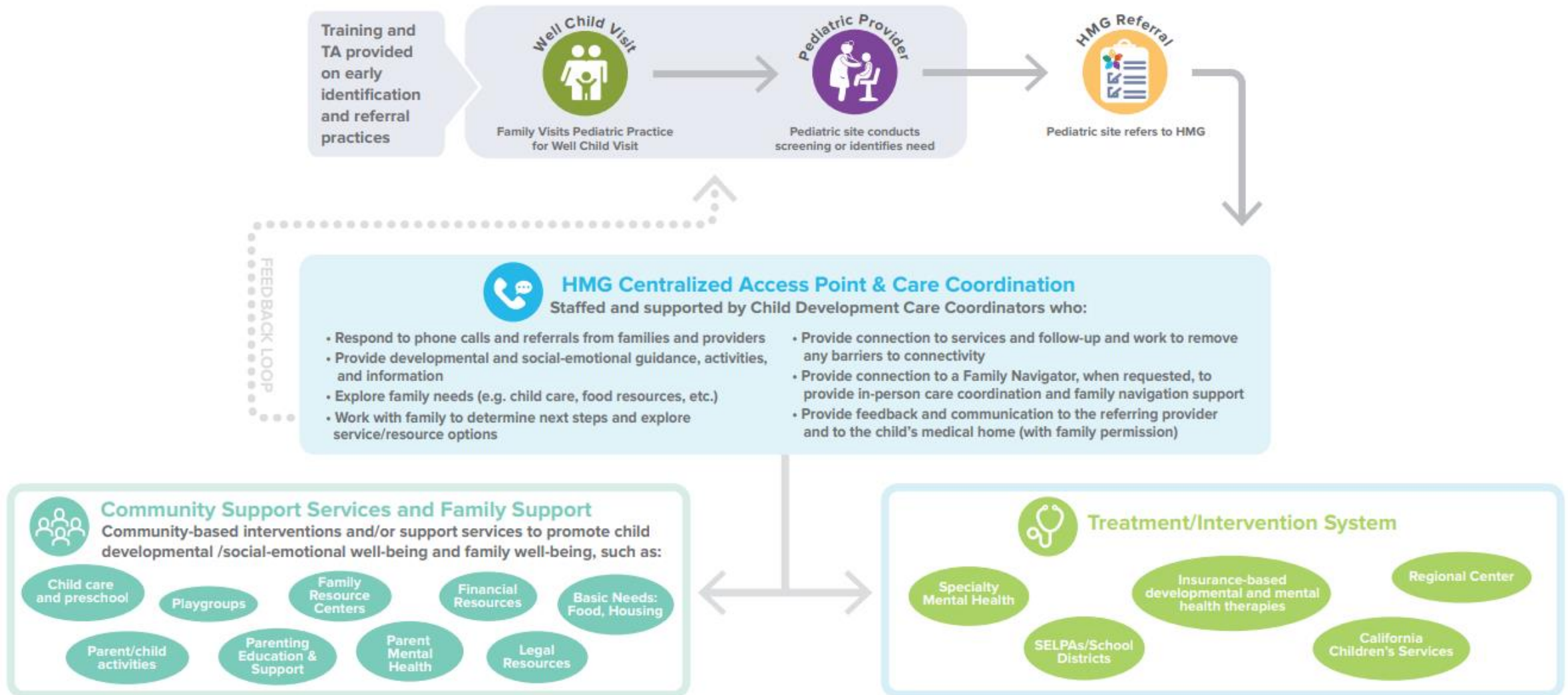
California Children's Services



System development and improvement through education, data analysis, policy and planning

- Maintain up to date resource inventory
- Educate families about early identification and child development
- Convene provider networking events to promote collaboration and coordination

Pediatric Referral System



The Importance of Care Coordination

- The first 5 years are the most important time for a child's development
- Complex array of service providers is hard to navigate
- Accessing limited services can be challenging
- Effective Care Coordination requires:
 - Maintaining up to date information about services available
 - Care Coordinators who understand the roles, responsibilities and referral mechanisms
 - Culturally competent staff providing information, referral and follow-up

Help Me Grow: Impact



Child Health Outcomes (HMG vs Non-HMG Alameda Alliance for Health):

- Average age of developmental diagnosis **two years earlier** for HMG children
- HMG children have higher utilization of **pediatric preventive services**



Family Outcomes:

- More than **2 out of 3** children linked to at least one service
- Close to **9 out of 10** families report being linked to services that met their needs



Health Care Provider Outcomes:

- Over of **9 out of 10** pediatricians felt HMG increased their ability to talk to families about developmental concerns
- Almost ALL pediatricians said that the HMG phone line was a **useful resource**

Help Me Grow: FY 2020-21 Budget

| Total Help Me Grow | \$3,220,517 | % of Total |
|----------------------------------|-------------|------------|
| Personnel | \$1,849,415 | 57% of HMG |
| Program Contracts/Grants | \$782,272 | 25% of HMG |
| ACE Aware (one-year grant) | \$325,470 | 10% of HMG |
| Alliance Pilot (one-year grant)* | \$165,000 | 5% of HMG |
| Operating | \$98,360 | 3% of HMG |

Current State Policy Landscape

State Early Childhood Landscape

- Governor Newsom “California for All” and Comprehensive Early Childhood Focus and Commitment
- Master Plan for Early Learning and Care
- Legislative Leadership and Commitment to ECE
 - Commitment to Economic Wellbeing for Families (expansion of PFL & EITC)
- State Budget: looking Ahead to FY21-22
- Potential Shift in Federal Landscape

Critical Role of Medi-Cal

- 64% of California's children are enrolled in Medi-Cal.
- 90% of these are in managed care plans.
- Currently, millions of children are going without preventive health care services they are entitled to, according to State Auditor Report
- 40% of health plans fall below minimum standards for providing pediatric care
- As adult populations enrolled in Medi-Cal managed care have risen, health plans face more pressure to focus efforts on high-cost beneficiaries. This has created disincentives for prioritizing young children.

Vital Functions of Medi-Cal Managed Care for Children

- EPSDT, including Screening
 - Connection to Early Identification and Intervention Efforts
- Preventive Care
- Care Coordination
- Recent Addition of ACES Screening
- New Family Therapy Benefit

Opportunities to Strengthen Medi-Cal Managed Care for Young Children

- Increase focus on:
 - Whole Child, Whole Family Approaches
 - Addressing racial inequities in care and outcomes, particularly black infant health and black maternal health
 - Coordinate with other key systems serving children
 - Increased focus and accountability on prevention
- Governor's Letter to Medi-Cal Managed Care Plans
- Medi-Cal Managed Care Procurement Process and Priorities
- Linkage to Master Plan
- CalAIM

Medi-Cal Managed Care Plan Procurement Process and Priorities

- Process
 - Response to Initial RFI was due October 1, 2020
 - Draft RFP released for public comment in early 2021
 - Contract implementation January 2024
 - RFP process will result in new contracts for commercial health plans, however DHCS “intends to use the updated MCP Contract as the boilerplate for all Medi-Cal MCPs.”
- 10 Priorities
 - Children services (“MCOs need to understand this topic is of the utmost importance to the agency.” – DHCS, 9/10 webinar)
 - Coordinated/integrated
 - Other key priorities: quality, behavioral health, reducing health disparities

First 5 Association Top Recommendations in Response to RFI

- 1) **Financial incentives and accountability measures**, including a performance bonus incentive, to increase well-child visit utilization, as well as recommended screenings and referrals.
- 2) **Specific health equity plans to address inequities and disparities**, which should include specific data reporting requirements related to race, ethnicity and age group; access to community health workers, doulas and promotoras to offer culturally-relevant care, including home visiting; and specific plans for reducing birth outcome disparities that disproportionately affect Black families.
- 3) **Financial incentives** for practices that provide **holistic services as a standard of care** to strengthen the relationship between child and caregiver within the pediatric primary care setting, including behavioral health services and closed-loop referrals to community-based and clinical supports.

Help Me Grow Sustainability Efforts

HMG Sustainability Efforts

MIG (Nov 2017-Jan 2018)

- Engaged key stakeholders to inform sustainability plan

HMA Project (Oct 2018 – Mar 2019)

- Supported the kickoff of the HMG Sustainability Leadership Table
- Completed an assessment of funding streams and recommended opportunities

Pacific Health Consulting Group (Sept-Dec 2019)

- Explored sustainability and integration options
- Significant Medi-Cal Managed Care overlap
- Recommendation to seek outside grant funding and integration

CSSP/Manatt: Pediatrics Supporting Parents (March-Dec 2020)

- Technical assistance to maximize Medicaid funding
- Recommendations to State policy makers

Stupski Foundation (September 2019 – Present)

- Informal exploration about expanding comprehensive care coordination out of pediatrics

Future Direction

Current Status: Strong foundational program + declining revenue source means important decisions need to be made.

Potential Options for Future Strategic Plan:

1. Build off existing infrastructure in-house to get to scale (would require outside investment)
2. Decrease funding for HMG services to families and providers, and focus on capacity building for other early childhood and care coordination entities
3. Maintain program at existing level (would require cuts in other programs)

Current Recommendation:

1. Hold funding stable through the end of the current strategic plan, FY 21-22
2. Unlock state and federal EPSDT funds by pursuing a collaboration with ACBH and managed care plans in support of future growth

Requests of the Commission

Is it a priority of the Commission to sustain and scale the Care Coordination functions provided by Help Me Grow?

This means:

1. **Keep Prop 10 funding stable** as we continue to explore scale of HMG in service of Care Coordination and as a critical component our early childhood system
2. **Increase public systems support**, for example
 - Continue to work with the Managed Care Plans and ACBH in support of sustainability of future programmatic growth
 - Explore options to expand HMG functions in entitlement programs, and alternate programmatic structures
3. **Continue to engage in policy advocacy** that supports access to health / developmental services and care for children



Policy Updates

OCTOBER 2020

ASSOCIATION UPDATES

Endorsed Proposition 16, proposal to reverse ban on affirmative action

[Factsheet here](#)

- Aligns with First 5's values and our commitment to racial equity.
- Would give locals more flexibility particularly around public sector hiring and contracting.
- Still would have to comply with federal law re: affirmative action.
- A Yes vote on this measure overturns proposition 209: State and local entities could consider race, sex, color, ethnicity, and national origin in public education, public employment, and public contracting to the extent allowed under federal and state law.

Biden-Harris Transition Memo

[Draft here](#)

- First 5 Alameda volunteered to work with a small group of counties on a memo for a potential incoming Biden-Harris administration.
- Objective: The purpose of the transition memo is twofold: 1) uplift the CA county voice and experience to help inform potential federal policy expansions and the creation of new policies across early childhood systems; and 2) develop a strategic policy platform and set of recommendations to help guide the First 5 Network federal policy work to come.
- Focus on whole child/whole family, racial equity, and policies w/ targeted universalism approach.
- Goal to send by Oct 19. Will also be sending a memo to the Trump-Pence campaign, adapted to their lens but including the same recommendations.

Medi-Cal Reprocurement

[Association letter here](#)

- First 5 Association submitted letter to DHCS with recommendations 10/1.
- Three themes:
 - a) improving quality
 - b) health equity
 - c) financial incentives for practices that provide whole child/family centered care including dyadic models and home visiting.
- In early 2021 DHCS will release a draft RFP, allowing stakeholders an opportunity to respond to the specific contract language.
- Final RFP will be issued in late 2021 or early 2022.



STATE UPDATES

CalEITC

- Sept 18, Newsom signed AB 1876 into law, making the CalEITC available for all immigrant tax filers.
- CA Budget and Policy Center [estimates](#) that about 2/3 of immigrant workers previously excluded from the CalEITC are COVID essential workers.
- CA Budget and Policy Center prepared [fact sheets](#) on the economic impact of CalEITC expansion by Senate and Assembly district. Total estimated credits for ITIN tax filers in Assembly District 18 (Bonta) estimated at \$1,713,000-\$2,447,000 annually.

Paid Family Leave

- Sept 17, Newsom signed SB 1383 into law, expanding job-protected Paid Family Leave to Californians who work for an employer with five or more employees. Previously has been limited to parents working for an employer with 20 or more employees. Builds on the 2019 legislation increasing benefits from six to eight weeks per parent. Effective Jan 1, 2021.
- Spring 2020 Association support letter re: related proposal [here](#).

Education Trailer bill

- Sept 21, Newsom signed SB 820 into law. Among other things, SB 820 waives family fees from September 1, 2020 to June 30, 2021 only for families where all children enrolled in subsidized care remain at home, either for distance learning or because the family is sheltering in place.
- If Congress does not pass additional COVID-19 relief, Alternative Payment programs and child care providers will have to cover the cost of waived family fees.
- On Oct 6, the First 5 Association signed on to a letter alongside 78 other ECE and anti-poverty partners, outlining child care policy issues related to the pandemic. -- letter [here](#). Family fees was a key focus of the letter. Alameda County signers include Kidango and Parent Voices Oakland.
- If all family fees were waived, it is estimated to cost the state \$66 M annually, and the cost is far less if a waiver were to only apply to families who are sheltering-in-place and not using subsidized care.
- With the legislature out of session, this is primarily an administrative advocacy effort, and Child Care Providers United will be meeting with the Governor's office soon to discuss the matter.
- The Association recommends [this article](#) as background to the issue.

Vape Tax

- Proposal was not addressed by the legislature during this session.

Tobacco Ban

- August 28, Newsom signed SB 793 into law, banning all flavored vape cartridges and other tobacco products including menthol cigarettes.
- Opponents already filed [proposal for a referendum to overturn](#).

Early Childhood Policy Council (ECPC) and Master Plan

- First 5 Alameda County has been attending workgroups.
- Plan delayed due to COVID, expected now in Dec, still will be useful for upcoming legislative season.



FEDERAL UPDATES

Interview with Congressman Swalwell

[Recording here](#)

- On August 21, Kristin Spanos participated in a Facebook Live Q&A with Congressman Eric Swalwell. Conversation centered on needs of children and families during COVID-19 pandemic, particularly child care. Potential for future engagement re: fatherhood initiatives.

Equity Letter

[Letter here](#)

- Part of the August conversation with Congressman Swalwell focused on a letter the agency sent on July 31st to the CA federal delegation on Equitable Legislation for COVID-19 Relief. The letter calls out the triple pandemics of racism, poverty, and COVID and voices positions on:
 - Directing support to individuals, families, and communities in need—not corporations.
 - Supporting Black, indigenous, Latinx, and other communities of color to reverse the disproportionate impact of the coronavirus
 - Providing direct funding for state and local governments
 - Protecting immigrant families during and beyond the COVID-19 pandemic.
- As a result of this letter, and the interview with Representative Swalwell, the agency has been asked to participate in a panel on Government Affairs at the First 5 Association meeting October 21st.

Forced Sterilizations Letter

[Letter here](#)

- Sent to ICE and HHS with cc to local field offices, CA delegation, First 5 Association, state ECE leaders.
- A public opposition stance on allegations re: forced sterilizations in immigration detention centers.
- Sparked conversations about including reproductive justice more explicitly in F5A policy agenda.

Continuing Resolution

- 10/1 Trump signed a continuing resolution that extends about \$1.4 trillion in government funding until December 11. The continuing resolution extends the Pandemic-EBT program through September 30, 2021, extending food benefits to families with children and expanding benefits to children in child care.

Stimulus & Federal Bills

First 5 Alameda tracking federal stimulus along with key bills. Speaker Pelosi firm on no piecemeal approach to stimulus so expectation is that proposals noted below could move forward in stimulus:

| |
|--|
| HR 2694 The Pregnant Workers Fairness Act |
| Prohibits employment practices that discriminate against qualified employees affected by pregnancy, childbirth, or related medical conditions and sets forth related enforcement procedures. |
| HR 7027 The Child Care is Essential Act |
| Provides \$50 billion to CCDBG to stabilize the child care industry. |
| HR 7201 The Child Care is Infrastructure Act |



Provides a \$10 billion for child care infrastructure over the next 5 years and technical assistance resources through Community Development Financial Institutions. The bill is included in The Moving Forward Act (H.R. 2) and The Child Care for Economic Recovery Act (H.R. 7327).

S 3721 COVID-19 Racial and Ethnic Disparities Task Force (Kamala Harris author)
Would create a task force to identify and address racial disparities related to COVID-19 and develop summaries of resource allocation in communities of color. Calls on CDC to publish data on COVID-19 by race and ethnicity and establish a permanent Infectious Disease Racial and Ethnic Disparities Task Force.

S 3719 The Closing the Meal Gap Act of 2020 (Kamala Harris author)
Permanently increases supplemental nutritional assistance program (SNAP) benefits by approx. 30%.

S 4112 Coronavirus Child Care & Education Relief Act
Would provide almost \$430 billion in funding for child abuse and neglect prevention, child care, K-12 education, postsecondary education, workforce development. Provides \$50 billion to the Child Care is Essential bill. Also provides increases for IDEA Part C (\$500 million) and 619 (\$400 million).