



FIRST 5 ALAMEDA COUNTY COMMISSION MEETING AGENDA

Thursday, June 18, 2020
9:00 AM – 11:30 AM

Members of the public may access this meeting via:
Zoom Meeting: <https://zoom.us/j/93947381925>
Meeting ID: 939 4738 1925

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 April 16, 2020**
- 3. Staff Announcements**
 - a. General Staff Announcements**
 - b. Children’s Health and Child Care Initiative for Alameda County Update**
 - c. COVID-19 Response Update**
- 4. FY 2020-22 Budget Proposal – Final Reading**
- 5. FY 2020-21, FY 2020-22 Contract Authorizations**
- 6. FY 2020-29 Long Range Financial Plan – Final Reading**
- 7. GASB 54 Fund Balance Commitment**
- 8. Chandler Asset Management Presentation**
 - a. FY 2019-20 July – March Investment Report**
- 9. Investment Policy Revisions**
- 10. ACERA 401(h) Account Authorization**
- 11. Salary Guidelines Revisions**
- 12. FY 2020-21 Strategic Plan – Final Reading**
- 13. F5AC Resolution on Racial Injustice**

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.

- 14. State Commission and Association Updates**
- 15. Legislation and Public Policy Update**
- 16. Communication from Commissioners**
- 17. Adjournment**

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First 5 Alameda County Commission Meeting
April 16, 2020, 9:00 AM – 11:30 AM
Zoom Webinar Meeting ID: 761 895 737

Commissioners Present: Chair: Renee Herzfeld, Vice Chair: Cecilia Oregon Echeverría, Wilma Chan, Scott Coffin, Tomás A. Magaña M.D., Karina Moreno

Commissioner Alternate: Anissa Basoco-Villarreal, Vanessa Cedeño

Excused: Colleen Chawla, Lori Cox

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

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
CALL TO ORDER			
R. Herzfeld	The regular Commission meeting was called to order by Chair R. Herzfeld who gavelled in at 9:06 AM.	None	None
1. PUBLIC COMMENT			
R. Herzfeld	There was no Public Comment.	None	None
2. APPROVAL OF MINUTES FROM FEBRUARY 20, 2020			
R. Herzfeld	[Attachment] Chair Herzfeld asked if there was any public comment before taking a vote to approve the minutes. Chair Herzfeld facilitated the vote to approve the February 20, 2020 Commission Meeting minutes.	Motion: S. Coffin Second: W. Chan Motion passed.	None
3. STAFF ANNOUNCEMENTS			
K. Spanos	[Attachment] A. General Staff Announcements <ul style="list-style-type: none"> ▪ First 5 Alameda County (F5AC) has implemented mandatory remote work effective 3/16. All Agency functions are operating during this shelter in place. ▪ F5AC is working with the County to support emergency child care efforts. Other areas F5AC is offering support in response to COVID-19 are in surveying child care capacity and child care demand, and fiscal analysis related to cost. The R&R's are currently providing referrals to child care for essential workers in the county. The state has appropriated \$50 million for this effort. Alameda County General Services Agency and Social Services Agency are the lead county departments. 	None	None

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
3. STAFF ANNOUNCEMENTS (Continued)			
K. Spanos	<ul style="list-style-type: none"> ▪ F5AC helped to support the completion of a state-wide survey regarding child care provider and community supply need and is working with the First 5 Association, county agencies, food bank and R&R's to identify the needed supplies. ▪ F5AC has completed the first phase of a FEMA grant, which would allow First 5 to receive 75% reimbursement for spending on emergency supplies. ▪ F5AC is in the process of identifying possible distribution sites for emergency supplies, which include elementary schools and self-sufficiency centers. ▪ F5AC is supporting information dissemination throughout the county to providers. There was a provider webinar on public health, social services and licensing updates on 4/2/20 with over 400 providers participating. Another webinar on small business practices was held on 4/3/20 with over 300 providers, in partnership with Chair Herzfeld. F5AC created a crisis team to help support the county in sharing information, led by Michele Rutherford and Rowena Kamo. ▪ Chair Herzfeld and Ms. Spanos connected with Mark Friedman from the Eden Health District to purchase 17,000 facial masks for child care providers, partners and staff. The delivery is due by the end of next week on 4/24/20. ▪ Internally, F5AC staff are reviewing all contracts to identify any savings, as well as redefining deliverables to focus on the COVID-19 response. Requests have been received for increased funding for the neighborhoods ready for school locations. ▪ Human Resources is tracking federal and state reforms impacting employment law, FMLA and retirement plan disbursements. Policy staff are tracking and producing summaries of the federal, state executive and legislative actions. ▪ Since working remotely, Ms. Spanos has provided weekly updates to the Commission to keep them apprised of First 5's priorities. ▪ F5AC received notice of our single audit, which is both a programmatic and financial audit. There were no findings. Ms. Spanos thanked everyone for their efforts. ▪ F5AC is pausing the processing of the Parent Engagement RFP. F5AC is still committed to this effort but given the demand on our time due to COVID-19, will revisit this at a future date. <p>B. Children's Health and Child Care Initiative for Alameda County Update</p> <ul style="list-style-type: none"> ▪ The Board of Supervisors will certify the vote on 4/21/20. ▪ The vote received over 64% in favor, receiving the simple majority needed to pass the community led initiative. ▪ Ms. Spanos sent a letter to each of the Board of Supervisor members on 4/7/20, thanking them for their continued support in leadership related to early childhood and urging them to cast a "Yes" vote. 		

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
3. STAFF ANNOUNCEMENTS (Continued)			
K. Spanos	<ul style="list-style-type: none"> ▪ Commissioner Chan informed the Commission that the Board of Supervisors will need a separate board letter by 4/21/20 and additional paperwork will be needed to collect tax revenue. 		
4. COVID-19 RESPONSE			
K. Spanos	<p>[Attachment]</p> <p>A. Administrative Recommendations Internal changes include:</p> <ul style="list-style-type: none"> ▪ Temporary changes to our Employee Handbook policies to allow staff to sell the entire accrued balances of vacation and PTO effective through 6/30/20. ▪ Allow staff to take an advance of no more than one bi-weekly gross pay and a maximum of 6-months for repayment. Staff requests must be finalized by December 2020, with final pay back by 6/30/21. <p>External changes include:</p> <ul style="list-style-type: none"> ▪ Implement Community Resiliency Fund. Asking for \$1 million dollars to be added out of the sustainability budget for the current FY 19-20 budget to be spent from now until 6/30/20. For FY 20-21, asking for \$2 million dollars out of the sustainability budget to be put towards this Fund. ▪ Increase in CEO discretion to authorize contracts up to \$250,000. The authorizations will be reported to the Commissions at the Commission meetings. Asking the Commission to delegate the authority to the Executive Committee to approve contracts greater than \$250,000. <p>Chair Herzfeld welcomed the Commissioners to share what they are doing in their workplaces in response to COVID-19. Chair Herzfeld asked if there was any public comment before taking a vote to approve. Chair Herzfeld facilitated the vote to approve COVID-19 Administrative Recommendations. Alternate Basoco-Villarreal recused herself from the vote.</p>	<p>Motion: S. Coffin Second: C. Echeverría Abstain: A. Basoco-Villarreal Motion passed.</p>	None
5. CONTRACT AUTHORIZATIONS			
C. Hom	<p>[Attachment]</p> <p>Ms. Hom presented the contract authorizations.</p> <ul style="list-style-type: none"> ▪ Applied Survey Research (ASR) - \$30,000 ▪ Early Quality Systems, LLC. - \$10,000 ▪ City of Alameda - \$45,000 	<p>ASR, Early Quality Systems, City of Alameda, AC Supply Bank Motion: K. Moreno Second: C. Echeverría Motion passed.</p>	None

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
5. CONTRACT AUTHORIZATIONS (Continued)			
C. Hom	<p>Community Resiliency Fund</p> <ul style="list-style-type: none"> ▪ Alameda County Food Bank - \$250,000 ▪ Alameda County Supply Bank - \$350,000 ▪ 4C's - \$100,000 ▪ Bananas, Inc. - \$100,000 ▪ Hively - \$100,000 <p>Chair Herzfeld asked if there was any public comment before taking a vote to recommend. Chair Herzfeld facilitated the vote to recommend contract authorizations for ASR, Early Quality Systems, City of Alameda, Alameda County Food Bank and Alameda County Supply Bank. Commissioner Coffin and Alternate Basoco-Villarreal recused themselves from voting on the Alameda County Community Food Bank contract.</p> <p>Vice-Chair Echeverría facilitated the vote to recommend contract authorizations for 4C's, Hively and Bananas, Inc.</p> <p>Chair Herzfeld and Alternate Basoco-Villarreal recused themselves from voting on the 4C's, Hively and Bananas, Inc. contracts.</p>	<p>Alameda County Food Bank Motion: W. Chan Second: Tomás A. Magaña Abstain: S. Coffin, A. Basoco-Villarreal Motion passed.</p> <p>4C's, Hively and Bananas, Inc. Motion: Tomás A. Magaña Second: Karina Moreno Abstain: R. Herzfeld, A. Basoco-Villarreal Motion passed.</p>	
6. FY 2020-22 BUDGET PROPOSAL – FIRST READING			
C. Hom	<p>[Attachment]</p> <p>Ms. Hom presented the FY 2020-22 Budget Proposal – First Reading</p> <p>Highlights of Revenue received during the first 6 months of the year include: Combined revenue and Sustainability Funds for FY 2020-21 are projected to be \$24.5 million. \$6.1 million of Sustainability Funds is budgeted to close the gap between revenue and projected expenses.</p> <p>Major highlights of revenue include:</p> <ul style="list-style-type: none"> ▪ Sources of revenue include Prop 10 tobacco tax, as well as Prop 56 backfill in the amount of \$11.2 million. ▪ Other First 5 income, in the amount of \$1.4 million, is from the second First 5 California IMPACT grant, the Incentive Layer grant and the Local Regional Training and TA Hub. ▪ Approximately \$3.8 million of revenue from interagency sources, which includes funding from Alameda County departments to support program work. ▪ QRIS State block grant funding is budgeted from the County Office of Education as is Quality Counts California funding from the State Department of Education. 	None	None

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
6. FY 2020-22 BUDGET PROPOSAL – FIRST READING (Continued)			
C. Hom	<ul style="list-style-type: none"> ▪ \$230,000 is budgeted from private grantors including the Center for the Study of Social Policy and Sunlight Giving for general operating support. ▪ Fiscal leveraging reimbursement in the amount of \$1.5 million is budgeted and is based on estimates of MAA invoices submitted for FY 2018-19. ▪ No investment revenue is budgeted based on the current financial climate. ▪ Miscellaneous revenue is budgeted at \$120,000 which includes First 5 Association rental income and one-time donations to support the upcoming Fatherhood Summit in 2021. <p>Major highlights of expenditures include:</p> <ul style="list-style-type: none"> ▪ Personnel costs are proposed at \$10.4 million or 42% of budget. Salaries are budgeted based on actual amounts and benefits are budgeted at 50% of salaries. ▪ Program related contracts and grants are proposed at \$12.3 million or 51% of budget. ▪ Program operating costs are proposed at \$652,000 or 2.6% of budget. ▪ Infrastructure costs are approximately \$1 million and are reflected in the Administration, Information & Technology strategy budget at 4%. ▪ An administrative cost cap of 10.73% has been set. Program costs represent 81% and Evaluation costs represent 7.56% of the proposed budget. <p>F5AC is requesting approval in principle of the second year of the cycle at the identical revenue and expense amounts as FY 2020-21 to enable the agency to engage in two-year awards that span FY 2020-2022. The full FY 2021-22 budget will be brought to the Commission for consideration beginning in April 2021.</p>		
7. FY 2020-29 LONG RANGE FINANCIAL PLAN – FIRST READING			
C. Hom	<p>[Attachment]</p> <p>Ms. Hom presented the FY 2020-29 Long Range Financial Plan – First Reading</p> <p>Major highlights include:</p> <ul style="list-style-type: none"> ▪ The Long Range Financial Plan assumes a 2.6% decrease in tax revenue from the prior year. Moving forward beyond FY 2020-21, revenues are expected to continue decreasing at a rate of approximately 1.7% per year (FY 2021-22, FY 2022-23) and then we expect revenues to decline at 3.5% per year through 2029. ▪ Assumptions around Interagency income are based on anticipated award termination dates. 	None	None

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
7. FY 2020-29 LONG RANGE FINANCIAL PLAN – FIRST READING (Continued)			
C. Hom	<ul style="list-style-type: none"> ▪ MediCal federal fiscal leveraging is proposed at \$1.5 million through the end of the 2022 Strategic Plan. Thereafter, MAA revenue is included at \$1 million per year. ▪ Grants from the State Department of Education and private foundations are term limited and are included based on the expected award termination dates. ▪ Miscellaneous income comprised primarily of rent from the First 5 Association is included and remains stable throughout the plan period. ▪ The Sustainability Fund cannot be spent down to zero, as some funds need to be maintained as an operating reserve. This is to cover ongoing cash flow requirements and to act as a buffer if there are delays in receiving state tobacco tax revenues or other revenues and reimbursements. The recommendation is to maintain an amount in the Fund Balance at a minimum of equal to 6 months of operating expenses, plus an amount to cover fiscal obligations during the term of the plan. 		
8. FIRST 5 CALIFORNIA FY 2018-19 ANNUAL REPORT APPROVAL			
L. Forti	<p>[Attachment]</p> <p>Ms. Forti presented the First 5 California FY 2018-19 Annual Report</p> <ul style="list-style-type: none"> ▪ Prop 10 requires local commissions hold public hearings on the State Annual Report before funds are released. ▪ F5AC submitted data for this report in October 2019 and it was shared with the F5AC commission in December 2019. <p>Chair Herzfeld asked if there was any public comment before taking a vote to approve. Chair Herzfeld facilitated the vote to approve the annual report.</p>	<p>Motion: S. Coffin Second: Tomás A. Magaña Motion passed.</p>	None
9. FY 2020-21 STRATEGIC PLAN – FIRST READING			
L. Forti	<p>[Attachment]</p> <p>Ms. Forti presented the FY 2020-21 Strategic Plan – First Reading</p> <ul style="list-style-type: none"> ▪ Prop 10 requires local commissions to do an annual review of their County Commission Strategic Plan. The proposed changes for this year are marked in red track changes of the Strategic Plan draft provided in the meeting packet. ▪ The most significant change was the one-year extension of the Plan to end in 2022, which has already been approved by the Commission. ▪ Additions also include the COVID-19 Resilience Fund strategy. 	None	None

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
10. STATE COMMISSION AND ASSOCIATION UPDATES			
K. Spanos	[Attachment] Ms. Spanos provided the State Commission and Association Updates <ul style="list-style-type: none"> ▪ Weekly Executive Director meetings are held with State First 5 staff. ▪ First 5 State Commission held an emergency meeting on 4/13/20 and announced the award of \$4 million dollars to SupplyBank.Org to purchase emergency supplies for providers. ▪ Annual Statewide Association meeting will be held virtually on 4/20/20. ▪ Advocacy Day is on 4/21/20. F5AC will be participating in meetings with our local and state representatives. ▪ The Association is actively recruiting for an Executive Director. 	None	None
11. LEGISLATION AND PUBLIC POLICY UPDATE			
K. Spanos	[Attachment] Ms. Spanos provided the Legislation and Public Policy Update <ul style="list-style-type: none"> ▪ There were 3 Federal stimulus packages passed at the federal level in a two week period in March 2020. ▪ Measure 6201 included FMLA and increased funding for WIC sites. ▪ The third Federal stimulus package, CARES, included a \$3.5 billion increase in child development block grant funding, unemployment payments, small business loans, food assistance programs and \$1200 to individuals meeting the payment criteria. It is estimated that \$339 million will go to California, which has yet to be allocated. ▪ The State passed SB117 on 3/16/20 which includes a \$1 billion allocation. \$50 million was awarded for emergency child care and \$50 million for supplies through resource and referral agencies, as well as child care centers. ▪ Housing and financial relief package announced by the Governor for families impacted by COVID-19. This relief includes 90 day grace period for mortgage payments, no negative credit reporting and moratorium on initiating foreclosure sales or evictions. 	None	None
12. COMMUNICATION FROM COMMISSIONERS			
R. Herzfeld	None	None	None
13. ADJOURNMENT			
R. Herzfeld	Chair Herzfeld gaveled out and adjourned the meeting at 10:30 AM.	None	None

Respectfully Submitted By: Julia Otani, Executive Assistant



To: First 5 Alameda County Commission

From: Kristin Spanos, Chief Executive Officer
Christine Hom, Finance Officer

Date: June 11, 2020

Subject: FY 2020-22 Budget Proposal – Final Reading

ACTION REQUESTED

To review the second and final reading of the FY 2020-22 Budget Proposal.

BACKGROUND

Each First 5 agency is required by statute to pass a Strategic Plan that outlines the use of the tobacco tax funds to serve children age 0-5 and their families. The First 5 Alameda County Commission originally approved a four-year Strategic Plan for FY 2017-21 and approved the extension of the Plan for one additional year through FY 2021-22 during the February Commission meeting. This budget proposal covers the last two years of that period, FY 2020-22. F5AC is requesting approval in principle of the second year of the budget (FY 2021-22) at the identical revenue and expense amounts as FY 2020-21 to enable the agency to engage in two-year awards that span FY 2020-22. The full FY 2021-22 budget will be brought to the Commission for consideration beginning in April 2021.

This presentation is the second reading of the FY 2020-22 budget proposal and incorporates changes directed by the Commission, new information related to the tobacco tax and other revenue streams, as well as major changes to expenditures. In addition, the list of contracts that exceed \$250,000 which require Commission authorization will be presented in conjunction with the FY 2020-22 proposed budget.

As is the practice of First 5 Alameda County, changes that occur during the fiscal year will be formally incorporated into the mid-year Budget Modification in January 2021.

CURRENT BUDGET PROPOSAL

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

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

The following Revenue and Expense projections reflect the priorities of the 2017-2022 Strategic Plan that was originally approved by the Commission in December 2016 and extended for an additional year in February 2020.

REVENUE AND AVAILABLE FUNDS FOR FY 2020-21

Combined Revenues and Sustainability Funds for FY2020-2021 are projected to be \$25.7 million. This figure is consistent with the Long Range Financial Plan. \$6.7 million of Sustainability Funds (\$4.1 million for FY 2021-22 agency budget and \$2.6 million to support the COVID-19 Community Resilience Fund) are budgeted to close the gap between revenue and projected expenses.

REVENUE TYPE	2020-21 PROPOSED	RATIONALE/DETAILS
Prop 10 Tobacco Tax		
	\$11,266,978	The tobacco tax revenue projection (Prop 10 and 56) is based on California Department of Finance and First 5 California projections for county commissions. Prop 10 Tobacco taxes are expected to decrease as per First 5 California's update projections in May 2019.
Other First 5 Income		
	\$1,741,567	Funding includes First 5 California IMPACT 2 grant to support local QRIS work, IMPACT Incentive Layer funding and Children's Council of San Francisco (First 5 San Francisco) funding for IMPACT Local Regional Training and Technical Assistance Hub.
Interagency Income		
	\$3,770,111	Funding includes contract with Alameda County Health Care Services Agency and Social Services Agency (via ACHCSA) to support Fathers Corp work, funding from the Alameda County Office of Education/CA State Block Grant for QRIS 6, projected monies for QRIS 7 grant and a new Inclusive Learning grant, funding from Alameda County Behavioral Health Care Services in support of the Alameda County Early Childhood Policy Committee (ACEPC), funding from Alameda County Public Health Department for Healthy Teeth, Healthy Communities, home visiting (PHOC), Help Me Grow Linkage Line services, funding from Alameda County Social Services Agency for CalWORKS and workforce development activities and funding from the California Department of Education for Quality County California QRIS Block Grant 2 and projected monies for QRIS Block Grant 3.
Grants		
	\$461,300	Funding from Sunlight Giving for general operating support, funding from the Center for the Study of Social

REVENUE TYPE	2020-21 PROPOSED	RATIONALE/DETAILS
		Policy to support year 5 of Project DULCE, funding from Alameda Alliance for Health to support the HMG Pediatric Care Pilot), funding from Packard Foundation to support HMG Pediatric Parent support and funding from Connecticut Children's Medical Center to support HMG Community of Practice Advisor activities.
Fiscal Leveraging		
Fiscal Leveraging	\$1,500,000	Projected funding for Medi-Cal Administrative Activities (MAA); estimates are based on MAA invoices submitted in 2019-20.
Other Income		
	\$224,699	No investment income is projected. Miscellaneous Revenue – Fatherhood Summit represents donations and sponsorships for the event in 2021. Miscellaneous Revenue – Other includes rental income from the First 5 Association.
Total Revenue (1)	\$18,964,655	Prop 10 Tobacco Tax, Other First 5 Income, Interagency Income, Grants, Fiscal Leveraging and Other Income
Reserves: Prop 10 Sustainability Funds (2)	\$6,127,009	Draw down from Proposition 10 Sustainability Fund (including \$2,000,000 to support the COVID-19 Community Resilience Fund) to balance the budget.
Prop 10 Savings (3)	\$618,000	Carryover of estimated FY 2019-20 savings to support COVID-19 Resilience Fund
Grand Total	\$25,709,664	Total Revenues and Available Funds = (1) + (2) + (3)

EXPENDITURES FOR FY 2020-21

In the 2020-21 Strategic Plan planned activities were categorized under eleven major strategies:

PROGRAMS AND INVESTMENTS:

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

CAPACITY BUILDING & SUSTAINABILITY

- Policy, Planning and Evaluation
- Training and Capacity Building
- Communications
- Administration, Information and Technology
- **Community Resilience Fund**

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

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

Salaries and Benefits

For FY 2020-2021, total salaries and benefits are projected to be \$10,572,478. Salaries are budgeted based on actual amounts. Benefits are budgeted at 50% of salaries. Consistent with direction from the Commission, the approved benefit package has remained mostly consistent with Alameda County, including membership in the Alameda County Employee’s Retirement Association (ACERA). The 50% allocation is based on actual cost estimates that are revised periodically as needed.

The **Parent Engagement and Support** strategy budget proposal for 2020-21 is **\$3,517,725** and consists of:

FY 2020-21 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$3,517,725	<ul style="list-style-type: none"> ▪ Tobacco Tax ▪ Medi-Cal ▪ Administrative Activities (MAA) ▪ Alameda County Public Health Department ▪ Center for the Study of Social Policy (CSSP) ▪ Alameda County Social Services Agency 	<ul style="list-style-type: none"> ▪ Continue support of Perinatal Health Outreach Coordinator (PHOC) position to support home visiting services with Alameda County Public Health Department (ACPHD) ▪ Support four new parent engagement and support grants ▪ Continue support of Early Learning Communities for expansion/development of early childhood systems in select cities in Alameda County ▪ Continue support workforce pilot program and navigation services in Castlemont Corridor ▪ Continue support of Project DULCE activities ▪ Continue support of the 0-5 component of the Alameda County Dental Transformation Grant (Healthy Teeth Healthy Communities)

The **Early Identification** strategy budget proposal for 2020-21 is **\$2,895,047** and consists of:

FY 2020-21 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$2,895,047	<ul style="list-style-type: none"> ▪ Tobacco Tax ▪ Medi-Cal Administrative Activities (MAA) ▪ Alameda County Public Health Department ▪ Alameda County Social Services Agency ▪ Connecticut Children's Medical Center ▪ Alameda Alliance for Health ▪ Packard Foundation 	<ul style="list-style-type: none"> ▪ Continue support to parents and caregivers in accessing resources, and increase parent knowledge of child development through family navigation ▪ Broaden screening efforts in alignment with Help Me Grow Strategic Plan including enhancing screening technology and purchase of ASQ kits ▪ Continue to explore local system integration and sustainability with managed care, health care and social services agencies ▪ Support the HMG National Community of Practice Innovation Advisor ▪ Implement HMG's Pediatric Care Pilot (conduct member engagement activities related to care coordination). ▪ Conduct HMG Pediatric Parent Support via a new grant

The **Quality Early Childhood Education (QECE)** strategy budget proposal for 2020-21 is **\$4,990,227** and consists of:

FY 2020-21 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$4,990,227	<ul style="list-style-type: none"> ▪ Tobacco Tax ▪ First 5 California ▪ Children's Council of San Francisco (Regional IMPACT T/TA Hub) ▪ Alameda County Office of Education ▪ CA Department of Education 	<ul style="list-style-type: none"> ▪ Continue to provide core infrastructure, coordinator and convener role for the Quality Rating and Improvement System (QRIS) system ▪ Continue the recruitment, training and engagement of ECE providers in to the QRIS ▪ Continue to conduct and communicate assessment and rating with providers ▪ Continue to support trainings, playgroups and provide stipends for Family, Friend and Neighbor providers and Family Child Care sites ▪ Provide coaching, consultation, quality improvement services and training on social emotional development (CSEFEL) ▪ Continue support for sustainable advising and professional development in institutions of higher education ▪ Projected ACOE (IEEEP) Inclusive Learning grant term is July 2020 to Dec 2023.

The **Fatherhood** strategy budget proposal for 2020-21 is **\$572,999** and consists of:

FY 2020-21 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$572,999	<ul style="list-style-type: none"> ▪ Tobacco Tax ▪ Alameda County Health Care Services Agency ▪ Alameda County Social Services Agency ▪ Fatherhood Summit Sponsorships (Kaiser, PG&E, Cal Endowment, Cal Wellness, F5CA, ACHCSA, ACSSA, ACCSS, AC Probation) 	<ul style="list-style-type: none"> ▪ Incorporate Father Friendly Principles into additional programs and community initiatives ▪ Continue Fatherhood Partnership Program, host Summit in 2021 and convene learning communities ▪ Continue Father Friendly Principles awareness, adoption, implementation, and capacity building campaign to public systems and CBOs ▪ Continue Fatherhood Media Campaign ▪ Implement Fatherhood Interagency Workgroup

The **Neighborhoods Ready for School** strategy budget proposal for 2020-21 is **\$3,500,000** and consists of:

FY 2020-21 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$3,500,000	<ul style="list-style-type: none"> ▪ Tobacco Tax 	<ul style="list-style-type: none"> ▪ Continued support of school readiness and place-based work with Oakland Unified School District and in the Castlemont Corridor ▪ Continue support of Parent Café programming ▪ Continue implementation of “Neighborhood Frameworks” strategy for services and funding investments in areas with the highest need including family navigation and family café consultation and support ▪ Support basic needs diaper distribution activities

The **Innovation** strategy budget proposal for 2020-21 is **\$200,000** and consists of:

FY 2020-21 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$200,000	<ul style="list-style-type: none"> ▪ Tobacco Tax 	<ul style="list-style-type: none"> ▪ Continued development of HIGH 5 Salesforce based database to support grants management and training activities

The **Policy, Planning and Evaluation** strategy budget proposal for 2020-21 is **\$2,109,800** and consists of:

FY 2020-21 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$2,109,800	<ul style="list-style-type: none"> ▪ Tobacco Tax ▪ Alameda County Behavioral Health Care Services Agency 	<ul style="list-style-type: none"> ▪ Continue focus on local policy and systems changes to result in the institutionalization of the work that began at First 5 ▪ Contribute to First 5 Association policy work ▪ Develop an annual policy platform for local efforts aligned with F5AC programs and priorities around school readiness, child development, family supports, child friendly neighborhoods ▪ Continue development of data dashboard, performance monitoring and analysis for each F5AC program strategy in alignment with results-based accountability ▪ Continue support of Alameda County Early Childhood Policy Committee activities ▪ Continue performing evaluations of identified initiatives (i.e. school readiness, place-based work)

The **Training and Capacity Building** strategy budget proposal for 2020-21 is **\$700,000** and consists of:

FY 2020-21 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$700,000	<ul style="list-style-type: none"> ▪ Tobacco Tax 	<ul style="list-style-type: none"> ▪ Continue to provide training on best, promising practices and peer learning communities for the multi-disciplinary workforce serving families with young children ▪ Develop curriculum and capacity building tools connecting trainings to workforce development, parent engagement and place-based strategies ▪ Support training for staff development program

The **Communications** strategy budget proposal for 2020-21 is **\$400,000** and consists of:

FY 2020-21 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$400,000	<ul style="list-style-type: none"> ▪ Tobacco Tax 	<ul style="list-style-type: none"> ▪ Continue development of dissemination strategy for F5AC reports and information ▪ Continue development of social media strategy ▪ Continue enhancements to agency website ▪ Develop multi-year campaign that connects with policy platform, parent engagement and education on child development ▪ Develop collateral materials regarding impacts of F5 investments to promote sustainability

The **Administration, Information and Technology** strategy budget proposal for 2020-21 is **\$4,170,865** and consists of:

ADMINISTRATION, INFORMATION AND TECHNOLOGY STRATEGY		
FY 2020-21 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$4,170,865	<ul style="list-style-type: none"> ▪ Tobacco Tax ▪ Medi-Cal Administrative Activities (MAA) ▪ Alameda County Public Health Department ▪ Alameda County Behavioral Health Care Services ▪ First 5 Association (rent) ▪ Grant Indirect Revenue 	<ul style="list-style-type: none"> ▪ Includes Administration, Technology, Finance, Human Resources, Commission, facilities management and consolidated operating costs to support agency operations ▪ Expand and update data systems to build capacity for cross data systems exchange of information including the enhancement of internal databases, expansion of data system agility and responsiveness, improved performance and productivity, update of electronic data sharing confidentiality and privacy practices ▪ Includes agency wide infrastructure costs of insurance, memberships/dues, professional services, utilities, janitorial and maintenance

The COVID-19 Community Resilience Fund strategy budget proposal for 2020-21 is \$2,653,000 and consists of:

ADMINISTRATION, INFORMATION AND TECHNOLOGY STRATEGY		
FY 2020-21 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$2,653,000	<ul style="list-style-type: none"> ▪ Tobacco Tax ▪ Sunlight Giving 	<ul style="list-style-type: none"> ▪ Support to community based organizations and public agencies for COVID-19 relief efforts

Administrative Cap

As part of the agency Financial Policies and consistent with AB 109 and SB 35, First 5 Alameda County has set an administrative cost cap of 15%. Costs are segregated through the year into the Program, Evaluation and Administrative areas according to guidelines and definitions set forth by First 5 California and in the Government Finance Officers Association (GFOA) First 5 Financial Management Guide.

The proposed budgets' costs are:

2020-21 COSTS	
Program	82.42%
Evaluation	7.35 %
Administration	10.23%
TOTAL	100.00%


Fiscal Impact

The fiscal impact is \$25,709,664 in budgeted expenses, a major portion of which will be funded by a combination of Prop 10 and other revenue sources amounting to \$18,964,655. The balance is expected to be funded using Proposition 10 Sustainability Funds totaling \$6,745,009 in FY 2020-21.

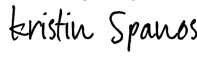
RECOMMENDATION

That the Commission approve the FY 2020-22 Budget Proposal.

Submitted by:

DocuSigned by:

 5659DF0B756A46A
 Christine Hom
 Finance Officer

Reviewed by:

DocuSigned by:

 ED639B4561544E4
 Kristin Spanos
 Chief Executive Officer

First 5 Alameda County
Proposed Budget - Revenue
July 1, 2020 - June 30, 2021

Revenues	Adopted Modified Budget FY2019-20	2nd Reading Proposed Budget FY2020-21	Change Increase/ (Decrease)	Notes
Proposition 10 Tobacco Tax Revenue	11,443,608	11,266,978	(176,630)	1
Other First 5 Income			-	
First 5 California (IMPACT)	1,970,300	-	(1,970,300)	2
First 5 California (IMPACT 2)	-	972,567	972,567	3
First 5 California (IMPACT Incentive Layer)	-	659,000	659,000	4
Children's Council of San Francisco (First 5 San Francisco/Hub)	110,000	110,000	-	5
First 5 Associations (Census 2020)	6,000	-	(6,000)	6
Total Other First 5 Income	2,086,300	1,741,567	(344,733)	
Interagency Income			-	
Alameda County Health Care Services Agency (Fathers Corp)	153,000	128,000	(25,000)	7
Alameda County Office of Education (QRIS 5)	51,298	-	(51,298)	8
Alameda County Office of Education (QRIS 6)	400,287	178,283	(222,004)	9
Alameda County Office of Education (QRIS 7) <i>projected</i>	-	444,217	444,217	10
Alameda County Office of Education (Inclusive Learning grant) <i>projected</i>	108,500	96,428	(12,072)	11
Alameda County Behavioral Health Care Services Agency (ACECPC)	43,600	9,800	(33,800)	12
Alameda County Public Health Dept. (shared Technology costs)	108,000	108,000	-	13
Federal Pass-through Grants:			-	
Alameda County Public Health Dept. (Healthy Teeth, Healthy Communities)	755,287	396,170	(359,117)	14
Alameda County Public Health Dept. (Home Visiting/PHOC)	49,500	103,772	54,272	15
Alameda County Public Health Dept. (Linkage Line)	433,840	472,038	38,198	16
Alameda County Social Services Agency (CalWORKS)	717,507	717,507	-	17
California Dept. of Education (QCC QRIS Block Grant)	57,865	-	(57,865)	18
California Dept. of Education (QCC QRIS Block Grant #2)	569,102	545,312	(23,790)	19
California Dept. of Education (QCC QRIS Block Grant #3) <i>projected</i>	-	570,584	570,584	20
California Dept. of Education (ELC Workforce Development) <i>projected</i>	-	-	-	21
Total Interagency Income	3,447,786	3,770,111	322,325	
Grants			-	
Sunlight Giving	200,000	235,000	35,000	22
Center for the Study of Social Policy (Project DULCE)	100,000	30,300	(69,700)	23
Connecticut Children's Medical Center (HMG Early Care Integration)	3,000	-	(3,000)	24
Connecticut Children's Medical Center (HMG COP Advisor)	-	6,000	6,000	25
Alameda Alliance for Health	-	165,000	165,000	26
Packard Foundation	-	25,000	25,000	27
Total Grants	303,000	461,300	158,300	
			-	
Fiscal Leveraging - MediCal Administrative Activities	1,500,000	1,500,000	-	28
Other Income				
Investment Revenue	375,000	-	(375,000)	29
Miscellaneous Revenue - Fatherhood Summit	-	194,999	194,999	30
Miscellaneous Revenue - Other	32,900	29,700	(3,200)	31
TOTAL REVENUE	19,188,594	18,964,655	(223,939)	
RESERVES			-	
Proposition 10 - Sustainability Funds	4,706,392	6,127,009	1,420,617	29
Proposition 10 - Savings from FY19-20	-	618,000	618,000	30
Interagency and Grants Revenues - received in prior years	890,920	-	(890,920)	31
			-	
TOTAL REVENUES & AVAILABLE FUNDS	24,785,906	25,709,664	923,758	
			-	

**First 5 Alameda County
Proposed Budget - Revenue
July 1, 2020 - June 30, 2021**

<u>NOTES</u>												
1	Prop 10 and Prop 56 tobacco tax revenue projections per First 5 California's revenue projections released May 2019											
2	Original First 5 California IMPACT 5 year grant ended June 30, 2020											
3	New First 5 California IMPACT grant has a 3 year term (July 2020 to June 2023), currently in year 1 of 3											
4	IMPACT Incentive Layer award received in FY2018-20 will be used for planned activities in FY2020-21.											
5	First 5 IMPACT Regional Training and Technical Assistance Hub for Region 4											
6	One time grant funding to support Census 2020 work in FY2019-20											
7	ACHCSA Fathers Corp award has a 5 year term (July 2017 to June 2022), currently in year 4 of 5											
8	ACOE QRIS 5 grant term ended September 30, 2019											
9	ACOE QRIS 6 grant term ends September 30, 2020											
10	Projected ACOE QRIS 7 grant term is July 2020-June 2021											
11	Projected ACOE (IEEEP) Inclusive Learning grant term is July 2020 to Dec 2023. Previous FY19-20 award was one year term											
12	ACBHCS funding for ACECPC-Parent Voices for July 2020 to September 2020 (3 months)											
13	ACPHD projected annual shared technology costs to support ECChange maintenance and hosting											
14	ACPHD Dental Program (HTHC) award has 4 year term (April 2017 to Dec 2020), currently in year 4 of 4											
15	ACPHD Home Visiting/PHOC award to support one FT PHOC position (January 2020 to June 2021)											
16	ACPHD HMG Linkage Line grant award term is July 2020 to June 2023; currently in year 1 of 3											
17	ACSSA grant renewal for CalWORKS, Workforce Pilot & Early ID support (July 2020 to July 2021)											
18	CDE QCC Block Grant #1 ended September 30, 2019											
19	CDE QCC Block Grant #2 ends September 30, 2020											
20	Projected CDE QCC Block Grant #3 grant period July 2020 to June 2021											
21	Projected CDE ELC Workforce Development grant opportunity was cancelled by the funder											
22	Sunlight Giving general support grant (June 2019 - July 2022), currently in year 2 of 3, plus new award (\$35,000) for FY2020-21											
23	CSSP funding to support Project DULCE activities through October 2020											
24	HMG National Early Care Integration grant, \$6,000 for FY18-20 (January 2019-March 2020) with \$3,000 disbursement in FY2019-20											
25	New award to support the HMG National Community of Practice Innovation Advisor (March 2020-May 2021)											
26	New award to support HMG's Pediatric Care Pilot (conduct member engagement activities related to care coordination)											
27	New award to support HMG Pediatric Parent Support (July 2020-June 2021)											
28	FY2020-21 revenue is projected receipt for FY2019-20 invoices											
29	Investment income is not projected to be received for FY2020-21											
30	Awards to support the 2021 Fatherhood Summit (PG&E, Kaiser, Cal Endowment, CA Wellness, F5CA, ACHCSA, ACSSA, AC Probation, ACCSS)											
31	Rental income from First 5 Association											
29	Use of Prop 10 sustainability funds (including \$2M for COVID-19 Community Resilience Fund) are projected to increase per First 5 California's projected revenues (see note 1)											
30	FY2019-20 budget savings to be used for COVID-19 Community Resilience Fund											
31	No planned use of revenue received in prior periods for expenses in FY2020-21											

First 5 Alameda County
Proposed Operating Expenditure Budget By Strategy
July 1, 2020 - June 30, 2021

	Parent Engagement & Support	Early ID	Quality Early Childhood Education	Fatherhood	Neighborhoods Ready for School	Innovation	Policy, Planning & Evaluation	Training & Capacity Building	Communications	Administration, Information and Technology	COVID-19 Community Resilience Fund	TOTAL REVISED BUDGET
PROPOSED FY2020-21 BUDGET - 2nd Reading												
	FY 2019-20	FY 2019-20	FY 2019-20	FY 2019-20	FY 2019-20	FY 2019-20	FY 2019-20	FY 2019-20	FY 2019-20	FY 2019-20	FY 2019-20	FY 2019-20
Personnel Costs												
Salaries & Benefits	1,064,386	2,014,415	1,884,877	216,663	489,348	0	1,688,437	350,085	373,312	2,490,955	0	10,572,478
Program Contracts/Grants												
Contracts	2,387,234	632,000	2,077,215	256,500	2,956,652	200,000	365,700	224,915	21,188	450,000	2,618,000	12,189,404
Grants & Stipends	0	0	803,403	11,000	0	0	0	0	0	0	0	814,403
Professional Services*	0	150,272	136,500	27,000	10,000	0	0	85,000	0	15,000	0	423,772
Total Contracts/Grants	2,387,234	782,272	3,017,118	294,500	2,966,652	200,000	365,700	309,915	21,188	465,000	2,618,000	13,427,579
Program Operating Costs**												
	66,105	98,360	88,232	61,836	44,000	0	55,663	40,000	5,500	161,608	35,000	656,304
Infrastructure Costs												
	0	0	0	0	0	0	0	0	0	1,053,302	0	1,053,302
Total Direct Program Costs	3,517,725	2,895,047	4,990,227	572,999	3,500,000	200,000	2,109,800	700,000	400,000	4,170,865	2,653,000	25,709,664

First 5 Alameda County
Proposed Expenditure Budget by Expenditure Category
July 1, 2020 - June 30, 2021

Expenditures	Modified Budget FY 2019-20	Proposed Budget FY 2020-21	Difference	Variance from Prior Year	Notes
Personnel Costs	\$9,918,211	\$10,572,478	\$654,267	7%	1
Program Contracts/Grants	\$13,095,339	\$13,427,579	\$332,240	3%	2
Program Operating Costs	\$729,856	\$656,305	(\$73,551)	-10%	3
Infrastructure Costs	\$1,042,500	\$1,053,302	\$10,802	1%	4
TOTAL EXPENDITURES	\$24,785,906	\$25,709,664	\$923,758	4%	

Notes:

Major changes in Expenditure Category costs, between the second FY 2019-20 Modified Budget and the Proposed FY 2020-21 budget.

1. Personnel Costs

FY2020-21 proposed personnel costs reflects staffing for key operations in Programs, Communications, and Administration Information & Technology increasing from part to full time status and **additional externally funded positions**.

2. Contracts

FY2020-21 contracts/grants reduction reflects end of external grant term funding (from Thomas J. Long Foundation and First 5 CA IMPACT), a decrease in budgeted amounts for technology related contracts **and increased contracts to support COVID-19 activities**.

3. Program Operating Costs

FY2020-21 program operating costs reflect a slight reduction primarily due to realignment of expenses between categories, strategies and **adjustments per external funding changes** (First 5 CA IMPACT and ACPHD Healthy Teeth, Healthy Communities decreased funding in FY2020-21).

4. Infrastructure Costs

FY2020-21 infrastructure costs reflect an increase in cost of service vendors.

First 5 Alameda County
Proposed Contracts for FY 2020-21 & FY 2020-22

Contractor Name	Award Term	FY 2020-21 Amount	FY 2021-22 Amount	Total Award Amount	Description
NEIGHBORHOODS READY FOR SCHOOL					
Youth Uprising	2020-2022	\$ 88,600.00	\$ 88,600.00	\$ 177,200.00	Funding to provide culture keeping (e.g. security), janitorial services, and facilities management to support the Room to Bloom Family Resource Center on the Youth Uprising Campus and daily early childhood programming taking place in their facility.
ALL IN	2020-2021	\$ 75,000.00	\$ -	\$ 75,000.00	Funding to support COVID-19 Community Resilience efforts.
Lincoln	2020-2021	\$ 75,000.00	\$ -	\$ 75,000.00	Funding to support COVID-19 Community Resilience efforts.
New Haven Unified School District - Union City Kids Zone	2020-2021	\$ 75,000.00	\$ -	\$ 75,000.00	Funding to support COVID-19 Community Resilience efforts.
Roots	2020-2021	\$ 75,000.00	\$ -	\$ 75,000.00	Funding to support COVID-19 Community Resilience efforts.
DDG Consulting	2020-2021	\$ 65,000.00	\$ -	\$ 65,000.00	Funding to provide consultation services to Neighborhoods Ready for School, Fatherhood Partnerships, and Parent Engagement and Support Programs.
Help A Mother Out	2020-2022	\$ 50,000.00	\$ 50,000.00	\$ 100,000.00	Funding to provide administrative and facilitation services to support the evaluation of Help A Mother Out's Diaper Bank program.
Interpreters Unlimited	2020-2022	\$ 20,000.00	\$ 20,000.00	\$ 40,000.00	Funding to provide language assistance services to First 5 programs and selected providers.
International Contact	2020-2022	\$ 50,000.00	\$ 50,000.00	\$ 100,000.00	Funding to provide language assistance services to First 5 programs and selected providers.
PARENT ENGAGEMENT & SUPPORT					
Supplybank.org	2020-2021	\$ 75,000.00	\$ -	\$ 75,000.00	Funding to collaborate with partners to publicize the availability of the Diaper Kit Program to low income parents with diaper-age children in Alameda County.
East Bay Community Law Center	2020-2021	\$ 50,000.00	\$ -	\$ 50,000.00	Funding to provide training to First 5 Alameda County staff and partner agencies as well as consultation and planning for future program and Medical-Legal Partnership (MLP) opportunities.
YMCA of the East Bay	2020-2021	\$ 538,000.00	\$ -	\$ 538,000.00	Funding to train CalWORKs participants to become certified and employed as early childhood professionals.
Youth Uprising	2020-2021	\$ 85,000.00	\$ -	\$ 85,000.00	Funding to provide case management for Castlemont community families in East Oakland focused specifically on assisting families with applying for and/or accessing Alameda County Social Services programs.
BANANAS, Inc.	2020-2021	\$ 100,000.00	\$ -	\$ 100,000.00	Funding to implement the CARE Homeless Navigation pilot.
Dr. Samuel Singer	2020-2021	\$ 15,600.00	\$ -	\$ 15,600.00	Funding to provide support and guidance to operate the Project DULCE program at Highland Hospital.

East Bay Community Law Center	2020-2021	\$ 30,000.00	\$ -	\$ 30,000.00	Funding to provide legal consultation and support to the Highland Hospital Pediatric Department's Project DULCE Family Specialist and selected families.
Oakcare Medical Group	2020-2021	\$ 12,826.00	\$ -	\$ 12,826.00	Funding to continue implementation of the Project DULCE model at Highland Hospital Pediatric Department.
Training					
Housing and Economic Rights Advocates (HERA)	2020 - 2021	\$ 18,000.00	\$ -	\$ 18,000.00	Funding to provide training for providers and families on: Tenants Rights, Debt, Estate Planning, Credit Repair, Purchasing Cars and Phones, Using Mobile Phones for Banking, Discrimination in Lending.
Shawn Bryant	2020 - 2021	\$ 20,000.00	\$ -	\$ 20,000.00	Funding to provide training and consultation for providers and families on Child Development, Parenting and Culture, K Readiness, Black and Brown Unity, Supporting Gender Development.
Dr. Barbara Stroud	2020 - 2021	\$ 20,000.00	\$ -	\$ 20,000.00	Funding to provide training and consultation for providers and families on: Child Development, Parenting, Reflective Supervision, Cultural Humility, Importance of Relationship.
Tandem Partners in Early Learning	2020 - 2021	\$ 15,000.00	\$ -	15,000.00	Funding to provide training and consultation for providers and families on K Readiness, Using Books, STEM for Early Childhood, Trauma and Resilience.
Haneefah Shuaibe-Peters	2020 - 2021	\$ 10,000.00	\$ -	\$ 10,000.00	Funding to provide training and consultation for providers and families on K Readiness, Social Emotional Development, Caregiver/Child Engagement.
Threshold (Debora Roca and Chantal Debuissou-Myllmaki)	2020 - 2021	\$ 10,000.00	\$ -	\$ 10,000.00	Funding to provide training and consultation for providers and families on Parenting, Child Development, Parenting, Self Care, Temperament, Sibling Rivalry, Positive Communication, Positive Discipline.
CompassPoint Nonprofit Services	2020 - 2021	\$ 15,000.00	\$ -	\$ 15,000.00	Funding to provide Coaching and Self Care for Supervisors.
Fathers Corps					
LaNiece Jones	2020-2021	\$ 37,500.00	\$ -	\$ 37,500.00	Funding to oversee the planning, fund development and execution of the 2021 Alameda County Fatherhood Summit and related activities.
Positive Communication Practices	2020-2021	\$ 15,000.00	\$ -	\$ 15,000.00	Funding to provide training and consultation for the Father-Friendly Provider Network.
Malcolm Wallace	2020-2021	\$ 15,000.00	\$ -	\$ 15,000.00	Funding to maintain, and administer the Fathers Corps' Diversity of Fatherhood Photobank; to photograph fathers and their families for Fathers Corps photoshoots, and to photograph the 2021 Alameda County Fatherhood Summit.
Community Resilience Fund					
BANANAS, Inc.	2020-2021	\$ 100,000.00	\$ -	\$ 100,000.00	Funding to provide assistance to child care providers, Family, Friend, and Neighbor providers and families with children birth to 5 as part of Alameda County's COVID-19 relief efforts.
Community Child Care Council (4Cs) of Alameda County	2020-2021	\$ 100,000.00	\$ -	\$ 100,000.00	Funding to provide assistance to child care providers, Family, Friend, and Neighbor providers and families with children birth to 5 as part of Alameda County's COVID-19 relief efforts.
Hively	2020-2021	\$ 100,000.00	\$ -	\$ 100,000.00	Funding to provide assistance to child care providers, Family, Friend, and Neighbor providers and families with children birth to 5 as part of Alameda County's COVID-19 relief efforts.

Lao Family Community Development	2020-2021	\$ 10,000.00	\$ -	\$ 10,000.00	Funding to support COVID-19 Community Resilience efforts.
Parent Voices Oakland	2020-2021	\$ 60,000.00	\$ -	\$ 60,000.00	Funding to support COVID-19 Community Resilience efforts.
The Unity Council	2020-2021	\$ 10,000.00	\$ -	\$ 10,000.00	Funding to support COVID-19 Community Resilience efforts.
Oakland Unified School District	2020-2021	\$ 442,670.00	\$ -	\$ 442,670.00	Funding to support Kindergarten Transition activities.
Hayward Unified School District	2020-2021	\$ 357,330.00	\$ -	\$ 357,330.00	Funding to support Kindergarten Transition activities.
Emery Unified School District	2020-2021	\$ 107,603.00	\$ -	\$ 107,603.00	Funding to support Kindergarten Transition activities.
San Lorenzo Unified School District	2020-2021	\$ 182,513.00	\$ -	\$ 182,513.00	Funding to support Kindergarten Transition activities.
San Leandro Unified School District	2020-2021	\$ 176,377.00	\$ -	\$ 176,377.00	Funding to support Kindergarten Transition activities.
Newark Unified School District	2020-2021	\$ 132,912.00	\$ -	\$ 132,912.00	Funding to support Kindergarten Transition activities.
New Haven Unified School District	2020-2021	\$ 150,596.00	\$ -	\$ 150,596.00	Funding to support Kindergarten Transition activities.
Livermore Valley Joint Unified School District	2020-2021	\$ 72,899.00	\$ -	\$ 72,899.00	Funding to support Kindergarten Transition activities.
Berkeley Unified School District	2020-2021	\$ 62,185.00	\$ -	\$ 62,185.00	Funding to support Kindergarten Transition activities.
Alameda Unified School District	2020-2021	\$ 63,344.00	\$ -	\$ 63,344.00	Funding to support Kindergarten Transition activities.
Castro Valley Unified School District	2020-2021	\$ 60,066.00	\$ -	\$ 60,066.00	Funding to support Kindergarten Transition activities.
Fremont Unified School District	2020-2021	\$ 73,151.00	\$ -	\$ 73,151.00	Funding to support Kindergarten Transition activities.
Albany Unified School District	2020-2021	\$ 51,899.00	\$ -	\$ 51,899.00	Funding to support Kindergarten Transition activities.
Pleasanton Unified School District	2020-2021	\$ 53,314.00	\$ -	\$ 53,314.00	Funding to support Kindergarten Transition activities.
Dublin Unified School District	2020-2021	\$ 53,153.00	\$ -	\$ 53,153.00	Funding to support Kindergarten Transition activities.
Alameda County Office of Education	2020-2021	\$ 50,000.00	\$ -	\$ 50,000.00	Funding to support Kindergarten Transition activities.
Sunol Glen Unified School District	2020-2021	\$ 10,000.00	\$ -	\$ 10,000.00	Funding to support Kindergarten Transition activities.
Communications					
Crux Design	2020-2021	\$ 28,900.00	\$ -	\$ 28,900.00	Funding for First 5 website maintenance, COVID-19 microsite maintenance, development and web hosting support for AlamedaKids.org.
Molly McCoy	2020-2021	\$ 12,000.00	\$ -	\$ 12,000.00	Funding to perform graphic design for agency programs and Annual Report.
Early Identification					
Asian Health Services	2020-2021	\$ 13,000.00	\$ -	\$ 13,000.00	Funding to develop the requirements and workflow protocols for automating development screening within the Community Health Clinic Network (CHCN) Electronic Health Record (HER) system.
Alameda Health Consortium	2020-2021	\$ 20,000.00	\$ -	\$ 20,000.00	Funding to support development costs related to ASQ automation in EHR systems.
Brookes Publishing	2020-2021	\$ 20,000.00	\$ -	\$ 20,000.00	Funding to support licensing costs related to ASQ automation in EHR systems.
Rachel Metz	2020-2021	\$ 25,000.00	\$ -	\$ 25,000.00	Funding to provide consultation and support to HMG's sustainability efforts, including how to leverage Medicaid for HMG sustainability and expansion efforts.
RedCar IT Solutions	2020-2021	\$ 75,000.00	\$ -	\$ 75,000.00	Funding to develop enhancements to the Pathways data system.
QECE					
BANANAS, Inc.	2020-2021	\$ 260,000.00	\$ -	\$ 260,000.00	Funding to provide professional development opportunities for the Early Childhood Education (ECE) workforce in Alameda County and on-site technical assistance and coaching to Quality Rating and Improvement System (QRIS) sites.

Community Child Care Council (4Cs) of Alameda County	2020-2021	\$ 260,000.00	\$ -	\$ 260,000.00	Funding to provide professional development opportunities for the Early Childhood Education (ECE) workforce in Alameda County and on-site technical assistance and coaching to Quality Rating and Improvement System (QRIS) sites.
Hively	2020-2021	\$ 110,000.00	\$ -	\$ 110,000.00	Funding to provide professional development opportunities for the Early Childhood Education (ECE) workforce in Alameda County and on-site technical assistance and coaching to Quality Rating and Improvement System (QRIS) sites.
California School-Age Consortium (CalSAC)	2020-2021	\$ 700,000.00	\$ -	\$ 700,000.00	Funding to provide Quality Counts grantees with funds for Quality Improvement grants. Funds will be used to make facility and environmental improvements, enhance training and staff release time, support technology needs, and support professional development activities.
Jewish Family and Children Services East Bay (JFCS)	2020-2021	\$ 140,000.00	\$ -	\$ 140,000.00	Funding to provide CSEFEL training and coaching to identified Quality Counts ECE sites in Alameda County, mentoring to Alameda County CSEFEL authorized trainers and coaches, and overall administration of CSEFEL activities.
Chabot College	2020-2021	\$ 29,000.00	\$ -	\$ 29,000.00	Funding to provide two classrooms of Saturday Pre-K programs for Fall and Spring semesters for 20 children which will allow 24 students to complete the ECD 90 Lab Course.
Alameda County General Services Agency	2020-2021	\$ 143,000.00	\$ -	\$ 143,000.00	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.
WestEd	2020-2021	\$ 177,000.00	\$ -	\$ 177,000.00	Funding to provide valid and reliable CLASS and ERS assessments for early care and education programs participating in Quality Counts.
BANANAS, Inc.	2020-2021	\$ 80,000.00	\$ -	\$ 80,000.00	Funding to provide Quality Counts (QC) Pathways resources and Gee Whiz Curriculum through coordinated remote or in-person training and playgroups to Family, Friend and Neighbor and Family Child Care providers in north Alameda County.
Hively	2020-2021	\$ 80,000.00	\$ -	\$ 80,000.00	Funding to provide Quality Counts (QC) Pathways resources and Gee Whiz Curriculum through coordinated remote or in-person training and playgroups to Family, Friend and Neighbor and Family Child Care providers in Alameda County.
City of Alameda, Alameda Free Library	2020-2021	\$ 19,250.00	\$ -	\$ 19,250.00	Funding to provide Quality Counts (QC) Pathways resources at 3 storytimes and enhancements at 3 branches for Family, Friend, and Neighbor caregivers by leveraging Storytimes.
Community Child Care Council (4Cs) of Alameda County	2020-2021	\$ 80,000.00	\$ -	\$ 80,000.00	Funding to provide Quality Counts (QC) Pathways resources and Gee Whiz Curriculum through coordinated remote or in-person training and playgroups to Family, Friend and Neighbor and Family Child Care providers in South Alameda County.
Friends of the Oakland Public Library	2020-2021	\$ 35,000.00	\$ -	\$ 35,000.00	Funding to provide Quality Counts (QC) Pathways resources at 4 storytimes and enhancements at 4 branches for Family, Friend, and Neighbor caregivers by leveraging OPL Storytimes.

City of Hayward, Hayward Public Library	2020-2021	\$ 21,400.00	\$ -	\$ 21,400.00	Funding to provide Quality Counts (QC) Pathways resources at 4 storytimes and enhancements at 2 branches for Family, Friend, and Neighbor caregivers by leveraging HPL Storytimes.
City of San Leandro, San Leandro Public Library	2020-2021	\$ 21,400.00	\$ -	\$ 21,400.00	Funding to provide Quality Counts (QC) Pathways resources at 4 storytimes and enhancements at 2 branches for Family, Friend, and Neighbor caregivers by leveraging SLPL Storytimes.
Davis Street Community Center	2020-2021	\$ 10,000.00	\$ -	\$ 10,000.00	Funding to provide Quality Counts (QC) Pathways resources through outreach and distributions to AP Family, Friend and Neighbor caregivers and Family Child Care providers in San Leandro.
Jewish Family and Community Services	2020-2021	\$ 25,000.00	\$ -	\$ 25,000.00	Funding to provide Quality Counts (QC) Pathways resources for Family Child Care providers through in-person or remote monthly Social Emotional Foundations in Early Learning support group and individual consultation.
Administration, Information & Technology					
Olson Remcho, LLP	2020-2022	\$ 30,000.00	\$ 30,000.00	\$ 60,000.00	Funding to provide legal services and consultation on an as-needed basis.
Wiley, Price, Radulovich, LLP	2020-2022	\$ 15,000.00	\$ 15,000.00	\$ 30,000.00	Funding to provide human resource legal services and consultation on an as-needed basis.
RedCar IT Solutions	2020-2021	\$ 168,000.00	\$ -	\$ 168,000.00	Funding to provide maintenance and operations support activities for the First 5 Application Suite (ECChange, ECC Online and Pathways).
TECHsperience	2020-2021	\$ 74,400.00	\$ -	\$ 74,400.00	Funding to provide technology infrastructure support and server maintenance and back up.
RS Associates	2020-2021	\$ 27,000.00	\$ -	\$ 27,000.00	Funding to conduct an annual audit of the financial statements and single audit of applicable federal expenditures for First 5 Alameda County.
Jayne Williams	2020-2021	\$ 35,000.00	\$ -	\$ 35,000.00	Funding to provide grant writing and fund development assistance to help ensure the sustainability of First 5 programs.
Policy, Planning and Evaluation					
Applied Survey Research	2019-2021	\$ 30,000.00	\$ -	\$ 30,000.00	Funding to conduct Help Me Grow Family Survey.
Parent Voices Oakland	2019-2021	\$ 65,000.00	\$ -	\$ 65,000.00	Funding to plan, coordinate and implement the Alameda County Early Childhood Policy Committee (ACEPC) which includes: the Alameda County Spring Parent Forum; up to two policy subcommittees and all parent recruitment; leadership training and engagement activities related to ACEPC.
Innovation					
eightCloud	2020-2021	\$ 133,200.00	\$ -	\$ 133,200.00	Funding to provide managed care support for the next generation Salesforce technology related enhancements.
Totals		\$ 7,098,088.00	\$ 253,600.00	\$ 7,351,688.00	



FY 2019-20 and FY 2019-21 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 (through April 2020)						New Contracts or Augmentations, approved by CEO			
Strategy	Contractor	Contract Start Date	Contract End Date	Original Description of Scope of Work	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
Community Resilience Fund	Supplybank.org	4/28/2020	6/30/2020	Funding to work with vendors to obtain essential supplies that will be used to support COVID-19 relief efforts, including diapers, wipes, hand sanitizer, and cleaning materials.	\$ 350,000	\$ 250,000	\$ 600,000	Yes	Amendment to add funding to purchase purchase and distribute essential supplies to a variety of First 5 grantees and First 5 COVID-19 Community Resilience Fund awardees.
Early Identification	Family Resource Navigators	7/1/2019	6/30/2020	Funding to provide A) Help Me Grow Family Navigation services and B) support coordination and administration of Help Me Grow family leadership activities.	\$ 482,000	\$ 2,500	\$ 484,500	Yes	Ancillary funding to purchase gift cards for families with children age 0-5 and meet the following criteria: 1. job loss, furlough or wage reduction due to COVID 19 pandemic, 2. two or more children in the household, 3. one or more children with a disability, 3. not eligible for a Federal stimulus check, 4. household income below \$100,000 (4x federal poverty level).
Fatherhood	Shaka Senghor	6/8/2020	6/30/2020	New Contract		\$ 20,000	\$ 20,000	Yes	Funding to provide the keynote address for Dad-scussions, provide keynote address and panel discussion at the 2021 Fatherhood Summit, and tour and meet with Alameda County system leaders discussing juvenile justice and criminal justice reform.
Fatherhood	Jerry Tello	6/8/2020	6/30/2020	New Contract		\$ 7,500	\$ 7,500	Yes	Funding to be a guest speaker at the 2021 Fatherhood Summit and engage the National Compadres Network as panelists and moderators for summit workshops and activities.
Neighborhoods Ready for School	Youth Uprising	7/1/2019	6/30/2020	Funding to provide case management for Castlemont Community families (East Oakland), focused specifically on assisting families with applying and/or accessing Alameda County Social Services Administration via Entitlement Services, and assistance for other programs and services.	\$ 85,000	\$ 5,100	\$ 90,100	Yes	Ancillary funding to purchase \$2,100 of food from Alameda County Community Food Bank and \$3,000 in gift cards for families on Family Navigator's case load.
Neighborhoods Ready for School	Lincoln	7/1/2019	6/30/2020	Funding to build infrastructure in neighborhoods to provide places for families to learn, plan, and achieve their goals; increase neighborhood-level coordination to provide a comprehensive menu of resources to support family protective factors, build community, and increase children's school readiness; and increase family leadership and civic engagement opportunities	\$ 470,000	\$ 25,000	\$ 495,000	Yes	Ancillary funding to support 300 families through an Emergency Assistance Fund. The Fund will provide access to food, wi-fi access, laptops, housing/cash supports, e-gift cards for basic needs deliveries from vendors such as Amazon and Target, as well as funds to support additional hours of therapeutic services (via Tele health) from a mental health clinician.

Original Award, approved by Commission (through April 2020)						New Contracts or Augmentations, approved by CEO				
Strategy	Contractor	Contract Start Date	Contract End Date	Original Description of Scope of Work	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	
Neighborhoods Ready for School	New Haven Unified School District (UCFC)	7/1/2019	6/30/2020	Funding to build infrastructure in neighborhoods to provide places for families to learn, plan, and achieve their goals; increase neighborhood-level coordination to provide a comprehensive menu of resources to support family protective factors, build community, and increase children's school readiness; and increase family leadership and civic engagement opportunities.	\$ 470,000	\$ 25,000	\$ 495,000	Yes	Ancillary funding to support current distribution efforts to 100 families including purchase of grocery gift cards, gas cards, stamps, and to help families with utility bills assistance, laundromat services, prescription medication, co-pays, and basic needs supplies. Funding will also support staffing costs (Family Services Assistants conducting Family Navigation) previously covered by a different funder.	
Neighborhoods Ready for School	Roots Community Health Center	7/1/2019	6/30/2020	Funding to build infrastructure in neighborhoods to provide places for families to learn, plan, and achieve their goals; increase neighborhood-level coordination to provide a comprehensive menu of resources to support family protective factors, build community, and increase children's school readiness; and increase family leadership and civic engagement opportunities.	\$ 470,000	\$ 25,000	\$ 495,000	Yes	Ancillary funding to support the creation of a "Roots Community Fund" to provide the following to families with children 0-5: basic income/household expenses for 10 - 20 families including, rental support, utility bills, phone bills, etc.; 40 educational tablets and 100 backpacks with educational supplies.	
Neighborhoods Ready for School	Trybe	4/1/2020	6/30/2020	New Contract		\$ 150,900	\$ 150,900	Yes	Funding to provide food and basic needs resources to families with children birth to 5 years old who are served by the San Antonio Family Resource Center.	
Parent Engagement/ Parent Support	Dr. Sam Singer	7/1/2019	6/30/2020	Funding to provide support and guidance to operate the Project DULCE program at Highland Hospital.	\$ 15,600	\$ 4,500	\$ 20,100	Yes	Amendment to add funding to purchase gift cards in varying denominations to meet various basic needs of families.	
Parent Engagement/ Parent Support	East Bay Community Law Center (Project DULCE)	7/1/2019	6/30/2020	Funding to provide legal consultation and support to the Highland Hospital Pediatric Department's Project DULCE Family Specialist and selected families.	\$ 30,000	\$ 10,000	\$ 40,000	Yes	Amendment to add funding to purchase DocuSign subscriptions for Health & Welfare team to assist families with filing legal applications/appeals/ etc.	
Parent Engagement/ Parent Support	Help A Mother Out	12/2/2019	6/30/2020	Funding to provide administrative and facilitation services to support the evaluation of Help A Mother Out's Diaper Bank program.	\$ 49,900	\$ 50,000	\$ 99,900	Yes	Purchase of wipes to supplement diaper distribution.	
Parent Engagement/ Parent Support	Alameda County shelters serving families with young children	6/8/2020	6/30/2020	New Awards		\$ 45,000	\$ 45,000	Yes	Funding to support 10 shelters with basic needs for families with children 0-5. (A Safe Place, Abode, Alameda Point Collaborative, B.O.S.S., Building Futures with Women and Children, East Oakland Community Project, FESCO, Ruby's Place, Safe Alternatives to Violent Environments (SAVE), Tri-Valley Haven)	
Quality ECE	Silicon Valley Community Foundation	5/18/2020	6/30/2021	New Contract		\$ 100,000	\$ 100,000	Yes	Funding for the Low Income Investment Fund to administer technical assistance and emergency grants to family childcare providers in Alameda County.	
Parent Engagement/ Parent Support	Community Child Care Council (4Cs) of Alameda County	6/2/2020	9/30/2020	New Contract		\$ 45,000	\$ 45,000	No	Funding to provide a van for the Mobile Family Resource Center serving the City of Hayward.	
						\$ 765,500	CEO Authorizations 4/16/20 to 6/11/20			



To: First 5 Alameda County Commission

From: Kristin Spanos, Chief Executive Officer
Christine Hom, Finance Officer

Date: June 18, 2020

Subject: FY 2020-29 Long Range Financial Plan – Final Reading

ACTION REQUESTED

To review the second and final reading of the FY 2020-29 Long Range Financial Plan.

BACKGROUND

First 5 Alameda County has adopted a Long Range Financial Plan annually since March 2004. Adoption of a Long Range Financial Plan (LRFP) has been a statutory requirement of all First 5 Commissions since 2006-07.

The current LRFP was formally approved by the Commission in June 2019. An update to the LRFP is included with underlying assumptions as well as historical background information. The update reflects the Proposed Budget for FY 2020-2021 and the most recent Prop 10 Tobacco Tax revenue forecast from the California Department of Finance that was received in May 2019. The first public reading of the revised Plan was held on April 16, 2020 and this represents the second and final reading to be held on June 18, 2020.

MINIMUM FUND BALANCE REQUIREMENTS

From time to time, First 5 Alameda County has used Sustainability Funds to augment operating budget needs and to meet revenue shortfalls, to the extent authorized by the Commission. The Sustainability Fund balance as of June 30, 2019 was \$35.7 million. However, this Fund may not be spent down to zero; some funds must be maintained as an operating reserve to cover ongoing cash flow requirements to act as a buffer since there are delays in receiving state tobacco tax revenues or other revenues. The policy is to maintain an amount in the Fund Balance, at a minimum, equal to six months of operating expenses plus an amount to cover fiscal obligations under the Reduction in Workforce Policy.

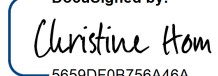
FISCAL IMPACT

There is no fiscal impact.


RECOMMENDATION

To approve the FY 2020-29 Long Range Financial Plan.

Submitted by:

DocuSigned by:

5659DE0B756A46A
Christine Hom
Finance Officer

Reviewed by:

DocuSigned by:

ED639B4561544E4
Kristin Spanos
Chief Executive Officer



ASSUMPTIONS FOR THE REVISED LONG RANGE FINANCIAL PLAN

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

REVENUES

FY 2019-20 figures are from the original and second revised budget approved in February 2020. For 2020-21 and subsequent years, the following revenue assumptions were used:

- Tobacco Tax** – The California Department of Finance (DoF) prepared revised projections of First 5 tobacco tax revenues in May 2019 for the period ending 2022-2023. These take into account the effects of the federal tobacco tax, other declines in state tobacco tax revenues due to newer legislation (SBx2-7 Smoking Age Increase to 21 effective June 2016, Proposition 56 \$2-dollar tobacco tax increase effective April 2017) Prop 99 and backfill amounts and other factors. The projections listed below cover the period 2020-2029.

Historically, the DoF projections have been on the conservative side; actual revenues received being equal to or higher than projections with the exception of the last fiscal year FY 2018-19. We anticipate receiving updated revenue projections from the DoF and First 5 CA this year and we will continue to forecast revenue conservatively.

<u>Fiscal Year</u>	<u>DoF Projection</u>	<u>Actual Revenue</u>
2010-2011	\$14.0m	\$14.3m
2011-2012	\$13.8m	\$14.5m
2012-2013	\$13.3m	\$13.6m
2013-2014	\$13.2m	\$13.2m
2014-2015	\$13.0m	\$13.3m
2015-2016	\$12.1m	\$13.2m
2016-2017	\$11.6m	\$12.6m
2017-2018	\$10.6m	\$11.3m
2018-2019	\$12.8m	\$12.1m
2019-2020	\$11.5m	
2020-2021	\$11.2m	
2021-2022	\$11.0m	
2022-2023	\$10.8m	
2023-2024	\$10.5m*	
2024-2025	\$10.1m*	
2025-2026	\$9.8m*	
2026-2027	\$9.4m*	
2027-2028	\$9.1m*	
2028-2029	\$8.8m*	

Based on the above DoF projection for 2020-2021, the Long Range Financial Plan assumes a 2.6% decrease in tax revenue from the prior year. Moving forward beyond 2020-21, revenues

are expected to continue decreasing at a rate of approximately 1.7% per year (2021-22, 2022-23) and then 3.5% per year through 2029 (*). If actual revenues show a significant change during the year, the projection for the current year will be brought to the Commission at mid-year, along with other budget modification proposals.

▪ **Interagency Income -**

- AC Behavioral Health Care Services funding for ACECPC Parent Voices (\$10,000)
- Funding from AC Health Care Services Agency and AC Social Services Agency to support Fathers Corps work (\$128,000)
- AC Public Health Department funding for ECChange database hosting and maintenance (\$108,000)
- AC Public Health Department funding for Help Me Grow (HMG) Linkage Line services (\$472,000)
- AC Public Health Department funding for the 0-5 component of the Dental Transformation grant (\$396,000)
- AC Public Health Department funding for Perinatal Health Outreach Coordinator positions (\$104,000)
- Pass through funding from AC Social Services Agency to support early child development activities in the Castlemont neighborhood and workforce development pilot (\$718,000)
- Funding from the AC Office of Education Block Grant 6 (\$178,000) and projected Block Grant 7 (\$444,000) to support Quality Rating Improvement Systems work
- Funding from the AC Office of Education Inclusive Learning grant to support Help Me Grow developmental screening coaching (\$96,000)
- Funding from First 5 California (IMPACT Incentive Layer) to support local QRIS work (\$659,000)
- Funding from First 5 California (IMPACT 2) to support local QRIS work including rating and quality improvement in child care settings (\$973,000)
- Funding from the Children's Council of San Francisco for the IMPACT Local Regional T/TA Hub (\$110,000)

- **Fiscal Leveraging** – Since FY 2009-10, fiscal leveraging revenues consist entirely of federal reimbursements under the Medi-Cal Administrative Activities (MAA) program. Gross MAA revenues for the prior fiscal year are usually received 8-12 months in arrears. As a result of the perpetual time study methodology introduced by the granting agency in FY 2013-14 and the inclusion of actual client count for invoicing, revenues are expected to average approximately \$1.5 million. For the purposes of this LRFP, it is assumed that programs eligible for MAA claiming will be reimbursed at this level through the 2020-21 budget year (and the entire 2017-22 Strategic Plan), and will thereafter receive a lower reimbursement of \$1 million for 2022-29 based on the reduction of any MAA generating staff.

▪ **Grants –**

- The CA Department of Education QCC QRIS Block Grant 2 (\$545,000) and projected QCC QRIS Block Grant 3 (\$571,000)
- The CA Department of Education ELC Workforce Development projected grant to support providers (\$223,000)
- Award from Alameda Alliance for Health to support Help Me Grow (\$165,000)

- Private grant revenue from the Center for the Study of Social Policy to support Project DULCE activities (\$30,000)
- Private grant from Packard Foundation to support Help Me Grow (\$25,000)
- Private grant from Sunlight Giving for general infrastructure (\$200,000) and COVID-19 Resilience Fund support (\$35,000)

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

- **Investment Revenue** – The FY 2020-21 proposed budget does not assume investment revenue due to the COVID-19 crisis and ensuing market volatility.
- **Miscellaneous Income** – Consists of rental income from the First 5 Association (\$30,000) and Fatherhood Summit 2021 sponsorships (\$195,000)

EXPENSES

FY 2020-21 expenditure figures are from the current proposed budget process. For fiscal years 2020-29, total expenses have been reduced so as to leave a minimum fund balance as recommended below. The plan does not provide for any cost of living allowances or inflationary increases. In prior years these increases have been covered within the range of annual budgetary savings, and this is expected to continue in future years as well.

Use of Sustainability Funds

At \$6.7 million, the budgeted use of Prop 10 Sustainability Funds for FY 2020-21 is comprised of \$4.1 million to close the gap between revenue and projected expenses and \$2.6 million to support the COVID-19 Community Resilience Fund.

MINIMUM FUND BALANCE REQUIREMENTS

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

HISTORICAL BACKGROUND

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

The Sustainability Fund is projected to be approximately \$30 million at the end of the current 2019-20 fiscal year and was accumulated in several ways over the past years. First, the Fund developed through the initial reserve that occurred when tax dollars were accumulated but could not be spent until a Strategic Plan was passed (Jan. 1999-Jan. 2000). Thereafter, contributions to the Sustainability Fund were intentionally budgeted over a number of years (2001-2004). Finally, budgeted funds that remained unspent were directed by the Commission to be added to the Sustainability Fund, rather than be rolled-over to the subsequent year's budget (2001-present). It is important to note however that, Sustainability Funds have been budgeted for program use since 2005-06, which means that expenses have been projected higher than revenues in each of those years, but budget savings in those years made it unnecessary to draw from the Fund. These changes have resulted in draws periodically from the Sustainability Fund only since FY 2009-10.

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

<u>Draw down from Sustainability for Operations (\$millions)</u>		
<u>Fiscal Year</u>	<u>Planned draw down</u>	<u>Actual amount drawn</u>
<u>FY 2009-2013 Strategic Plan</u>		
2009-10	\$6.9m	\$3.3m
2010-11	\$9.3m	\$6.7m ¹
2011-12	\$4.1m	\$0.8m
2012-13	\$9.0m	\$5.3m ²
<u>FY 2013-17 Strategic Plan</u>		
2013-14	\$1.7m	\$0.0
2014-15	\$2.3m	\$1.5m
2015-16	\$2.3m	\$1.2m
2016-17	\$4.9m	\$0.0
<u>FY 2017-22 Strategic Plan</u>		
2017-18	\$3.5m	\$0.0
2018-19	\$2.0m	\$0.0
2019-20	\$5.5m	-
2020-21	\$6.7m	-
2021-22	\$4.1m	-

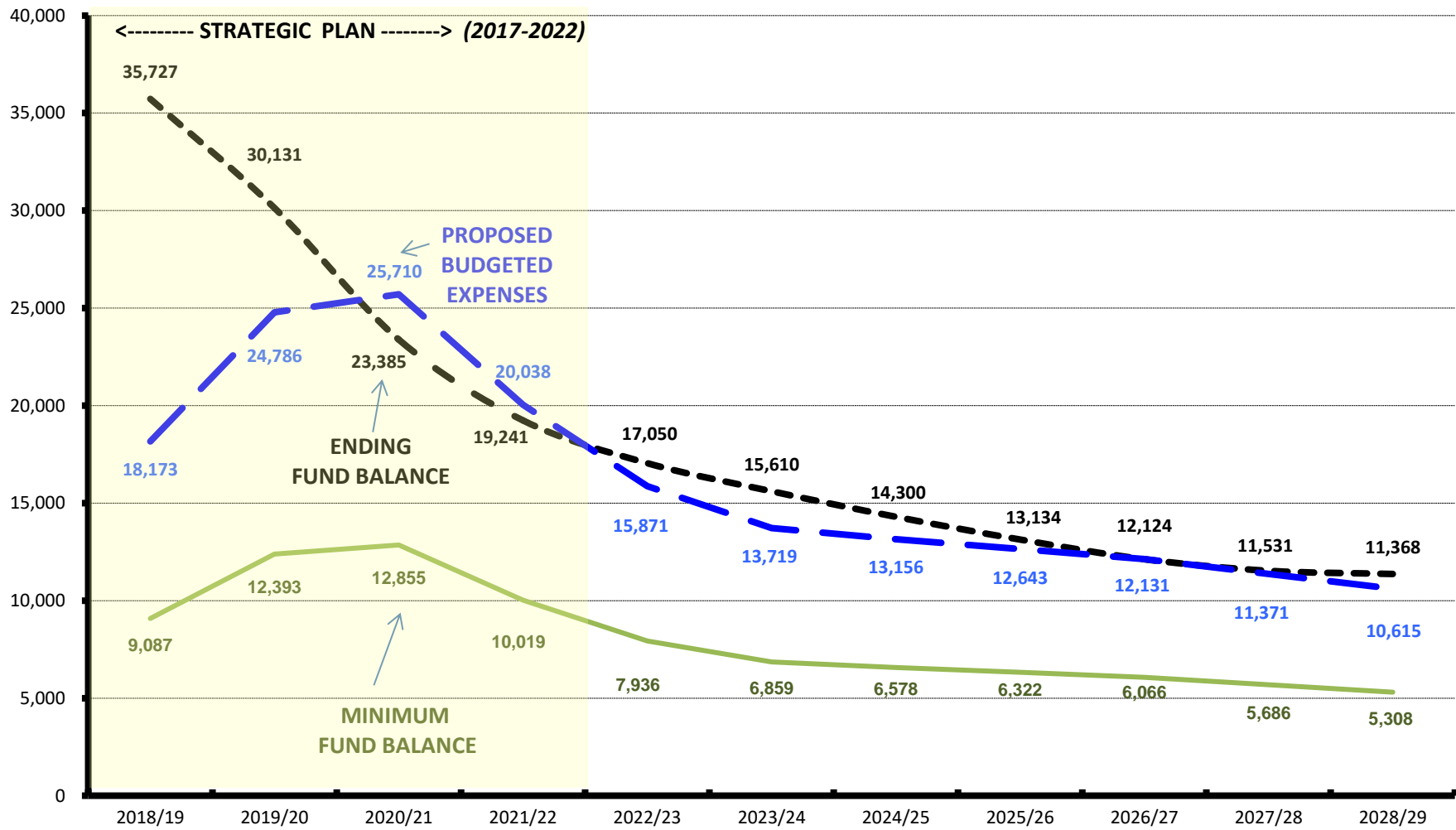
¹ Increased outlay on Contracts in order to reduce fund balance in anticipation of AB 99 – which required all First 5s to transfer half their fund balance to the State of CA by the end of 2012. AB 99 was subsequently repealed, and the threat passed.

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

Dollars in Thousands

	2017 - 2022 Strategic Plan				2022 - 2025 Strategic Plan			2025-2029 Strategic Plan			
	Actual	Modified Budget	Proposed Budget	2021/22	Projections			Projections			
	2018/19	2019/20	2020/21		2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Beginning Fund Balance	34,070	35,727	30,131	23,385	19,241	17,050	15,610	14,300	13,134	12,124	11,531
REVENUES											
Prop 10 Tobacco Tax	12,132	11,444	11,267	11,006	10,809	10,560	10,190	9,834	9,490	9,157	8,837
Interagency Income											
- ACBHCS (Parent Voices/ACEPC)	15	44	10								
- ACHCSA & All IN Alameda County (Healthy Food, Healthy Families)	30										
- ACHCSA (Fathers Corps)	118	153	128	128							
- ACHCSA (Fatherhood Summit)	30										
- ACPHD/CA Wellness (Fatherhood Summit)	20										
- ACPHD Project LAUNCH (SAMHSA)	98										
- ACPHD (Data Systems Hosting and Maintenance)	114	108	108	108	108						
- ACPHD HMG Linkage Line	402	434	472	464	480	480	480	480	480	480	480
- ACPHD Dental Transformation (HTHC)	532	755	396								
- ACPHD Home Visiting/PHOC	0	50	104								
- ACSSA CalWORKS	294	718	718								
- AC Office of Educ. (QRIS Block Grant 4)	50										
- AC Office of Educ. (QRIS Block Grant 5)	462	51	0								
- AC Office of Educ. (QRIS Block Grant 6)		400	178								
- AC Office of Educ. (QRIS Block Grant 7) projected		0	444								
- AC Office of Educ. (QRIS Block Grant 8) projected				444							
- AC Office of Educ. (Inclusive Early Learning)	0	109	96	96	96	48					
- First 5 California (IMPACT)	1,112	1,970									
- First 5 California (IMPACT Incentive Layer)			659								
- First 5 California (IMPACT 2)			973	974	975						
- First 5 San Francisco/Children's' Council of SF (Hub)	85	110	110	110							
- First 5 Association (Census 2020)		6	0								
Fiscal Leveraging											
- MediCal Administrative Activities (MAA)	1,900	1,500	1,500	1,500	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Grants											
State - CA Dept. of Education (Infant/Toddler Block Grant 2)	55										
State - CA Dept. of Education (QCC QRIS Block Grant)	75	58	0								
State - CA Dept. of Education (QCC QRIS Block Grant #2)		569	545								
State - CA Dept. of Education (QCC QRIS Block Grant #3) projected		0	571								
State - CA Dept. of Education (QCC QRIS Block Grant #4) projected				610							
State - CA Dept. of Education (ELC Workforce Development) projected		0	0								
Local - Alameda Alliance for Health			165								
Private - Long Foundation	300										
- Sunlight Giving		200	235	200							
- CA Wellness Foundation (Workforce Pilot)	20										
- Packard Foundation			25								
Other - Connecticut Children's Medical Center	8	3	6								
- University of Chicago/Chapin Hall	3										
- Center for the Study of Social Policy (DULCE, CQI, PE)	100	100	30								
Investment Income	1,400	375	0	234	192	171	156	143	131	121	115
Miscellaneous Income	102	33	225	20	20	20	20	20	20	20	20
TOTAL REVENUES	19,003	19,190	18,965	15,894	13,680	12,279	11,847	11,477	11,121	10,779	10,452
TOTAL EXPENSES	18,173	24,786	25,710	20,038	15,871	13,719	13,156	12,643	12,131	11,371	10,615
CASHFLOW											
Total Disbursements	18,173	24,786	25,710	20,038	15,871	13,719	13,156	12,643	12,131	11,371	10,615
(Shortfall)/Surplus Revenue over Expenses (Use of Sustainability Fund)	857	(4,706)	(6,746)	(4,144)	(2,191)	(1,440)	(1,310)	(1,166)	(1,010)	(593)	(\$163)
Prior Revenue Received	800	(890)	0								
Ending Fund Balance	35,727	30,131	23,385	19,241	17,050	15,610	14,300	13,134	12,124	11,531	11,368
MINIMUM FUND BALANCE REQUIRED (50% OR 6 Months of annual disbursement)	9,087	12,393	12,855	10,019	7,936	6,859	6,578	6,322	6,066	5,686	5,308

LONG RANGE FINANCIAL PLAN FY 2020-2029 BUDGET & FUND BALANCE (\$000s)





To: First 5 Alameda County Commission

From: Christine Hom, Finance Officer

Date: June 18, 2020

Subject: GASB 54 Fund Balance Commitment

REQUESTED ACTION

To review and discuss the commitment of sustainability funds for FY 2020-21.

BACKGROUND

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

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

GASB 54

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

Nonspendable Fund Balance

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

Restricted Fund Balance

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

Committed Fund Balance

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

Assigned Fund Balance

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

Unassigned Fund Balance

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

F5AC's Sustainability Fund or stabilization fund currently meets the definition of "Assigned" as defined in GASB 54. These stabilization funds can be categorized as "Committed" by having formal board action. Therefore, we are asking the Commission to formally "commit" stabilization funds. This can be done with a Commission action stating what the stabilization funds must be used for. At the end of the current fiscal year, it is estimated that F5AC will have approximately \$30 million in fund balance and will be reported in the audited financial statements as previously approved by the Commission in June 2019 to be in compliance the requirements of GASB 54.

PROPOSED ACTION TO DESIGNATE FUND BALANCE

1. To accept Staff's recommendation to designate a portion of fund balance not exceeding \$14.5 million of net assets as at June 30, 2020, as "non-spendable" in order to maintain intact funds for Contracts, Grants and Pre-paid Expenses, in accordance with the FY 2020-21 budget that is up for adoption by the Commission on June 18, 2020.
2. To accept Staff's recommendation to "Assign" a portion of ending fund balance not exceeding \$15.5 million of net assets as at June 30, 2020, for budget stabilization (balancing the budget), in accordance with the Long Range Financial Plan to be adopted by the Commission on June 18, 2020. Funds committed to budget stabilization shall only be used to maintain F5AC services as long as possible during anticipated funding declines in accordance with the Long Range Financial Plan. They can only be committed to other uses by a majority vote of the Commission. These funds are not anticipated to be replenished after they are used for budget stabilization.

FISCAL IMPACT

This action is for classification purposes only. There is no fiscal impact.

Use of Fund Balance	Maximum Amount	GASB 54 Classification
FY 2020-21 and FY 2020-21 budgeted Contracts, Grants and prepaid expenses	\$14.5 million	Non-spendable Fund Balance
Budget stabilization - Long Range Financial Plan	\$15.5 million	Assigned Fund Balance

RECOMMENDATION:

That the Commission approve the transfer and commitment of sustainability funds as outlined above for FY 2020-21.


Submitted by:

DocuSigned by:

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Christine Hom
 Finance Officer

Reviewed by:

DocuSigned by:

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Kristin Spanos
 Chief Executive Officer



To: First 5 Alameda County Commission
From: Christine Hom, Finance Officer
Date: June 19, 2020
Subject: FY 2019-20 Investment Report, July 1, 2019 – March 31, 2020

REQUESTED ACTION

To review the FY 2019-20 Investment Report covering the period July 1, 2019 – March 31, 2020.

BACKGROUND OF ACTIVITIES

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

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

First 5 Alameda County maintains the majority of its funds invested in a portfolio of high quality, very liquid, fixed-income securities, which are professionally managed by the Commission's investment advisor, Chandler Asset Management. The remaining funds continue to be invested with the Alameda County Treasurer's pool. This report summarizes the activity and status of the investment portfolio as of March 31, 2020.

PORTFOLIO HIGHLIGHTS

The Investment Report shows the performance of funds that are invested in the portfolio with Chandler Asset Management. At the end of the last fiscal year (June 30, 2019), the total market value of the portfolio was \$28,644,701. The market value of the Chandler portfolio as of March 31, 2020 was \$29,588,866 at a cost of \$28,700,945.

INVESTMENT REPORT

Investment Activity

The Investment Activity shows all transactions affecting our portfolio as of March 31, 2020. Purchases of securities are conducted when a maturity occurs, or when the investment advisor sells a security before maturity to rebalance the portfolio. Rebalancing is conducted to manage the risk profile of the portfolio, diversify portfolio maturities and sectors, protect market value, and enhance overall return.

Investment Income

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

Total investment earnings for the period ending March 31, 2020 was \$476,660. For the same period last fiscal year, the total investment earnings for the period ending March 31, 2019 was \$417,247. Investment income for this fiscal year is higher than the prior year as a result of rising interest rates. As market rates reset higher, the Commission's portfolio was able to capture higher interest income when funds were reinvested from maturities or sales.

Market Value and Unrealized Gains and Losses

The market value of the portfolio securities changes as a result of market supply and demand, shifts in interest rates, and other factors. There was an unrealized gain position of \$887,921 at the end of March 2020. This is determined by comparing the Cost and the Market Value of the portfolio on that date. This is a gain on paper only, implying that a gain would have been realized, had the portfolio been liquidated on March 31st. Since the portfolio was not liquidated, this section is for informational purposes only. Per the Governmental Accounting Standards Board (GASB), government entities must report unrealized gains and losses on investments (GASB 31).

Investment Fees

Fees include those levied by the portfolio manager and the fees levied by the account custodian Union Bank. The total fees paid during this period were \$23,565.

Yield Benchmarks

Investment yields are compared to the Local Agency Investment Fund (LAIF) and the Alameda County Treasury Investment Pool yields in order to benchmark investment manager performance. Chandler's average portfolio yield for the 9 month period of 2.12% is ahead of the LAIF yield of 1.73% and Alameda County Treasury Investment Pool yield of 1.85% for the year.

FISCAL IMPACT

The total realized investment earnings and interest received (net of fees) for July 1, 2019 – March 31, 2020 was \$455,383. Investment revenue for FY 2019-20 is budgeted at \$375,000.

REQUESTED ACTION

To approve the FY 2019-20 July - March investment report.

Submitted by:

DocuSigned by:
Christine Hom
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Christine Hom
Finance Officer

Reviewed by:

DocuSigned by:
Kristin Spanos
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Kristin Spanos
Chief Executive Officer

**First 5 Alameda County
Investment Report - Chandler Asset Management
For the Period July 1, 2019 - March 31, 2020**

INVESTMENT INCOME:

<i>Interest Received</i>	\$ 476,660
Total Investment Earnings	\$ 476,660
<i>Less:</i>	
Investment Fees (Chandler)	(21,277)
Union Bank Custodial Fees	(2,288)
<i>Net Investment Income</i>	\$ 455,383

INVESTMENT ACTIVITY:

Portfolios - Cost Basis at 6/30/19	\$ 28,212,305
Purchases	\$ 10,425,438
Maturities	\$ (105,000)
Sales	\$ (9,135,872)
Principal Pay Downs	\$ (706,494)
Capital Gains/Losses	\$ 34,132
Chandler and Union Bank Fees	\$ (23,565)
Portfolios - Cost Basis at 3/31/20	\$ 28,700,945

COST VS. MARKET VALUE:

Portfolios at Market 3/31/20	\$ 29,588,866
Portfolios at Cost 3/31/20	28,700,945
<i>Unrealized Gain (Loss) at 3/31/20</i>	\$ 887,921

APPROXIMATE YIELD AND BENCHMARKS (Annualized) for FY 2019-20:

Chandler Asset Management	2.12%
Local Agency Investment Fund (LAIF)	1.73%
Alameda County Treasurer's Pool	1.85%



First 5 Alameda County

Holdings Report

Account #10022

As of March 31, 2020

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
ABS									
43811BAC8	Honda Auto Receivables Trust 2017-2 A3 1.68% Due 8/16/2021	44,714.63	04/27/2018 2.62%	44,019.46 44,019.46	99.76 2.50%	44,605.78 33.39	0.15% 586.32	Aaa / AAA NR	1.38 0.30
47788BAD6	John Deere Owner Trust 2017-B A3 1.82% Due 10/15/2021	25,334.08	Various 2.48%	25,134.04 25,134.04	99.63 3.56%	25,241.36 20.49	0.08% 107.32	Aaa / NR AAA	1.54 0.21
47788CAC6	John Deere Owner Trust 2018-A A3 2.66% Due 4/18/2022	55,864.09	02/21/2018 2.68%	55,860.07 55,860.07	99.27 0.41%	55,456.03 66.04	0.19% (404.04)	Aaa / NR AAA	2.05 0.43
43815HAC1	Honda Auto Receivables Trust 2018-3 A3 2.95% Due 8/22/2022	231,936.30	08/21/2018 2.98%	231,904.48 231,904.48	100.92 1.70%	234,070.10 190.06	0.79% 2,165.62	Aaa / NR AAA	2.39 0.72
47788EAC2	John Deere Owner Trust 2018-B A3 3.08% Due 11/15/2022	275,000.00	07/18/2018 3.10%	274,979.16 274,979.16	100.62 2.16%	276,714.35 376.44	0.93% 1,735.19	Aaa / NR AAA	2.63 0.66
43815NAC8	Honda Auto Receivables Trust 2019-3 A3 1.78% Due 8/15/2023	205,000.00	08/20/2019 1.79%	204,998.30 204,998.30	100.53 1.50%	206,082.61 162.18	0.69% 1,084.31	Aaa / AAA NR	3.38 1.86
477870AC3	John Deere Owner Trust 2019-B A3 2.21% Due 12/15/2023	105,000.00	07/16/2019 2.23%	104,977.71 104,977.71	100.82 1.74%	105,858.06 103.13	0.36% 880.35	Aaa / NR AAA	3.71 1.69
92348AAA3	Verizon Owner Trust 2019-C A1A 1.94% Due 4/22/2024	140,000.00	10/01/2019 1.95%	139,989.21 139,989.21	100.25 1.82%	140,350.00 82.99	0.47% 360.79	NR / AAA AAA	4.06 1.96
65479JAD5	Nissan Auto Receivables Owner 2019-C A3 1.93% Due 7/15/2024	220,000.00	10/16/2019 1.94%	219,988.38 219,988.38	100.99 1.49%	222,169.20 188.71	0.75% 2,180.82	Aaa / AAA NR	4.29 2.18
47789KAC7	John Deere Owner Trust 2020-A A3 1.1% Due 8/15/2024	155,000.00	03/04/2020 1.11%	154,990.53 154,990.53	98.17 1.87%	152,160.40 94.72	0.51% (2,830.13)	Aaa / NR AAA	4.38 2.39
Total ABS		1,457,849.10	2.30%	1,456,841.34	1.77%	1,462,707.89 1,318.15	4.93% 5,866.55	Aaa / AAA AAA	3.27 1.42

AGENCY									
3137EAEK1	FHLMC Note 1.875% Due 11/17/2020	275,000.00	11/21/2017 1.96%	274,287.43 274,287.43	101.04 0.21%	277,865.78 1,919.27	0.94% 3,578.35	Aaa / AA+ AAA	0.63 0.62
3135G0F73	FNMA Note 1.5% Due 11/30/2020	625,000.00	12/29/2015 1.87%	614,175.00 614,175.00	100.67 0.49%	629,211.25 3,151.04	2.13% 15,036.25	Aaa / AA+ AAA	0.67 0.66
3130A7CV5	FHLB Note 1.375% Due 2/18/2021	525,000.00	02/17/2016 1.46%	522,879.00 522,879.00	100.90 0.35%	529,747.05 862.24	1.79% 6,868.05	Aaa / AA+ AAA	0.89 0.88



First 5 Alameda County

Holdings Report

Account #10022

As of March 31, 2020

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3135G0J20	FNMA Note 1.375% Due 2/26/2021	620,000.00	Various 1.47%	617,378.04 617,378.04	100.95 0.32%	625,891.24 828.82	2.11% 8,513.20	Aaa / AA+ AAA	0.91 0.90
3135G0K69	FNMA Note 1.25% Due 5/6/2021	300,000.00	06/29/2016 1.18%	301,020.00 301,020.00	100.80 0.52%	302,397.90 1,510.42	1.02% 1,377.90	Aaa / AA+ AAA	1.10 1.09
3135G0U35	FNMA Note 2.75% Due 6/22/2021	425,000.00	06/28/2018 2.70%	425,629.00 425,629.00	102.88 0.39%	437,228.95 3,214.06	1.48% 11,599.95	Aaa / AA+ AAA	1.23 1.20
3130A8QS5	FHLB Note 1.125% Due 7/14/2021	330,000.00	10/04/2016 1.33%	326,950.80 326,950.80	101.01 0.34%	333,339.27 794.06	1.12% 6,388.47	Aaa / AA+ AAA	1.29 1.28
3137EAEC9	FHLMC Note 1.125% Due 8/12/2021	550,000.00	09/26/2016 1.28%	545,952.00 545,952.00	101.03 0.37%	555,650.70 842.19	1.87% 9,698.70	Aaa / AA+ AAA	1.37 1.35
3135G0N82	FNMA Note 1.25% Due 8/17/2021	225,000.00	10/04/2016 1.37%	223,783.43 223,783.43	101.15 0.41%	227,580.75 343.75	0.77% 3,797.32	Aaa / AA+ AAA	1.38 1.37
3135G0Q89	FNMA Note 1.375% Due 10/7/2021	200,000.00	10/27/2016 1.50%	198,782.00 198,782.00	101.45 0.41%	202,909.20 1,329.17	0.69% 4,127.20	Aaa / AA+ AAA	1.52 1.49
3130AF5B9	FHLB Note 3% Due 10/12/2021	250,000.00	11/29/2018 2.91%	250,630.00 250,630.00	104.01 0.37%	260,021.75 3,520.83	0.89% 9,391.75	Aaa / AA+ NR	1.53 1.49
3135G0S38	FNMA Note 2% Due 1/5/2022	600,000.00	04/25/2017 1.92%	602,190.00 602,190.00	102.87 0.37%	617,191.80 2,866.67	2.09% 15,001.80	Aaa / AA+ AAA	1.77 1.73
3135G0T45	FNMA Note 1.875% Due 4/5/2022	560,000.00	06/19/2017 1.88%	559,915.44 559,915.44	102.98 0.39%	576,687.44 5,133.33	1.96% 16,772.00	Aaa / AA+ AAA	2.01 1.96
3135G0T78	FNMA Note 2% Due 10/5/2022	500,000.00	10/17/2017 2.04%	499,000.00 499,000.00	103.61 0.55%	518,059.00 4,888.89	1.76% 19,059.00	Aaa / AA+ AAA	2.52 2.43
3135G0T94	FNMA Note 2.375% Due 1/19/2023	425,000.00	Various 2.72%	418,473.00 418,473.00	105.39 0.44%	447,906.65 2,018.75	1.51% 29,433.65	Aaa / AA+ AAA	2.81 2.71
3137EAEN5	FHLMC Note 2.75% Due 6/19/2023	350,000.00	07/20/2018 2.86%	348,243.00 348,243.00	107.13 0.51%	374,961.30 2,727.08	1.27% 26,718.30	Aaa / AA+ AAA	3.22 3.08
313383YJ4	FHLB Note 3.375% Due 9/8/2023	100,000.00	10/29/2018 3.08%	101,313.00 101,313.00	110.11 0.41%	110,105.50 215.63	0.37% 8,792.50	Aaa / AA+ NR	3.44 3.27
3135G0U43	FNMA Note 2.875% Due 9/12/2023	540,000.00	09/12/2018 2.96%	537,786.00 537,786.00	107.80 0.59%	582,119.46 819.38	1.96% 44,333.46	Aaa / AA+ AAA	3.45 3.30
3130A0F70	FHLB Note 3.375% Due 12/8/2023	490,000.00	Various 2.74%	504,102.90 504,102.90	111.14 0.33%	544,602.66 5,190.94	1.85% 40,499.76	Aaa / AA+ AAA	3.69 3.47



First 5 Alameda County

Holdings Report

Account #10022

As of March 31, 2020

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3130AB3H7	FHLB Note 2.375% Due 3/8/2024	550,000.00	04/29/2019 2.37%	550,038.50 550,038.50	107.03 0.57%	588,641.90 834.55	1.98% 38,603.40	Aaa / AA+ NR	3.94 3.77
3130A1XJ2	FHLB Note 2.875% Due 6/14/2024	550,000.00	06/18/2019 1.96%	573,792.90 573,792.90	110.47 0.36%	607,567.96 4,699.82	2.06% 33,775.06	Aaa / AA+ NR	4.21 3.96
3130A2UW4	FHLB Note 2.875% Due 9/13/2024	475,000.00	09/13/2019 1.79%	499,600.25 499,600.25	109.91 0.61%	522,066.80 682.81	1.76% 22,466.55	Aaa / AA+ AAA	4.46 4.20
3135G0W66	FNMA Note 1.625% Due 10/15/2024	410,000.00	Various 1.27%	416,324.90 416,324.90	104.68 0.58%	429,204.81 3,016.63	1.45% 12,879.91	Aaa / AA+ AAA	4.55 4.35
3135G0X24	FNMA Note 1.625% Due 1/7/2025	520,000.00	Various 1.22%	529,792.20 529,792.20	104.97 0.57%	545,839.84 1,901.26	1.84% 16,047.64	Aaa / AA+ AAA	4.78 4.58
3137EAEP0	FHLMC Note 1.5% Due 2/12/2025	645,000.00	02/13/2020 1.52%	644,503.35 644,503.35	104.35 0.59%	673,048.47 1,263.13	2.27% 28,545.12	Aaa / AA+ AAA	4.87 4.69
Total Agency		11,040,000.00	1.93%	11,086,542.14	0.45%	11,519,847.43 54,574.72	38.94% 433,305.29	Aaa / AA+ AAA	2.62 2.52
CORPORATE									
747525AD5	Qualcomm Inc Note 2.25% Due 5/20/2020	160,000.00	06/11/2015 2.49%	158,228.00 158,228.00	99.99 2.33%	159,979.20 1,310.00	0.54% 1,751.20	A2 / A- NR	0.14 0.14
594918BG8	Microsoft Callable Note Cont. 10/3/2020 2% Due 11/3/2020	160,000.00	10/29/2015 2.02%	159,872.00 159,872.00	100.22 1.55%	160,351.68 1,315.56	0.54% 479.68	Aaa / AAA AA+	0.59 0.50
00440EAT4	Chubb INA Holdings Inc Callable Note Cont 10/3/2020 2.3% Due 11/3/2020	340,000.00	02/06/2017 2.17%	341,601.40 341,601.40	100.11 2.07%	340,363.12 3,214.89	1.16% (1,238.28)	A3 / A A	0.59 0.50
30231GAV4	Exxon Mobil Corp Callable Note Cont 2/1/2021 2.222% Due 3/1/2021	415,000.00	Various 1.97%	419,645.45 419,645.45	100.65 1.50%	417,698.75 768.44	1.41% (1,946.70)	Aaa / AA NR	0.92 0.90
24422ESL4	John Deere Capital Corp Note 2.8% Due 3/4/2021	182,000.00	05/24/2017 2.12%	186,428.06 186,428.06	100.79 1.93%	183,441.26 382.20	0.62% (2,986.80)	A2 / A A	0.93 0.91
369550BE7	General Dynamics Corp Note 3% Due 5/11/2021	345,000.00	Various 3.25%	342,578.25 342,578.25	100.77 2.29%	347,654.43 4,025.00	1.18% 5,076.18	A2 / A NR	1.11 1.08
857477AV5	State Street Bank Note 1.95% Due 5/19/2021	215,000.00	05/16/2016 1.96%	214,888.20 214,888.20	99.56 2.34%	214,055.51 1,537.25	0.73% (832.69)	A1 / A AA-	1.13 1.11



First 5 Alameda County

Holdings Report

Account #10022

As of March 31, 2020

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
CORPORATE									
594918BP8	Microsoft Callable Note Cont 7/8/2021 1.55% Due 8/8/2021	285,000.00	Various 1.57%	284,662.35 284,662.35	100.70 0.99%	286,982.18 650.36	0.97% 2,319.83	Aaa / AAA AA+	1.36 1.26
68389XBK0	Oracle Corp Callable Note Cont 8/15/2021 1.9% Due 9/15/2021	350,000.00	11/29/2016 2.40%	342,163.50 342,163.50	100.29 1.68%	351,031.45 295.56	1.18% 8,867.95	A3 / A+ A-	1.46 1.35
89236TDP7	Toyota Motor Credit Corp Note 2.6% Due 1/11/2022	350,000.00	03/14/2018 3.04%	344,477.20 344,477.20	100.52 2.30%	351,803.20 2,022.22	1.19% 7,326.00	A1 / AA- A+	1.78 1.72
532457BQ0	Eli Lilly & Co Note 2.35% Due 5/15/2022	350,000.00	08/24/2017 2.15%	353,052.00 353,052.00	102.05 1.37%	357,183.75 3,107.22	1.21% 4,131.75	A2 / A+ NR	2.12 2.05
69353RFE3	PNC Bank Callable Note Cont 6/28/2022 2.45% Due 7/28/2022	380,000.00	07/25/2017 2.45%	379,965.80 379,965.80	99.59 2.63%	378,440.48 1,629.25	1.28% (1,525.32)	A2 / A A+	2.33 2.24
44932HAC7	IBM Credit Corp Note 2.2% Due 9/8/2022	340,000.00	11/29/2017 2.58%	334,247.20 334,247.20	101.75 1.46%	345,960.54 477.89	1.17% 11,713.34	A2 / A NR	2.44 2.37
48128BAB7	JP Morgan Chase & Co Callable Note 1X 1/15/2022 2.972% Due 1/15/2023	295,000.00	02/09/2018 3.19%	292,153.25 292,153.25	101.62 2.04%	299,779.00 1,850.90	1.01% 7,625.75	A2 / A- AA-	2.79 1.73
24422ETG4	John Deere Capital Corp Note 2.8% Due 3/6/2023	150,000.00	05/21/2018 3.48%	145,521.00 145,521.00	102.51 1.92%	153,761.55 291.67	0.52% 8,240.55	A2 / A A	2.93 2.80
084670BR8	Berkshire Hathaway Callable Note Cont 1/15/2023 2.75% Due 3/15/2023	250,000.00	11/26/2018 3.51%	242,522.50 242,522.50	103.47 1.47%	258,675.75 305.56	0.87% 16,153.25	Aa2 / AA A+	2.96 2.68
037833AK6	Apple Inc Note 2.4% Due 5/3/2023	255,000.00	11/28/2018 3.54%	243,216.45 243,216.45	104.26 1.00%	265,850.25 2,516.00	0.90% 22,633.80	Aa1 / AA+ NR	3.09 2.96
02665WCJ8	American Honda Finance Note 3.45% Due 7/14/2023	110,000.00	07/11/2018 3.49%	109,809.70 109,809.70	101.27 3.04%	111,396.56 811.71	0.38% 1,586.86	A3 / A NR	3.29 3.07
69371RP59	Paccar Financial Corp Note 3.4% Due 8/9/2023	270,000.00	08/06/2018 3.41%	269,889.30 269,889.30	101.08 3.06%	272,903.04 1,326.00	0.92% 3,013.74	A1 / A+ NR	3.36 3.14
06406RAJ6	Bank of NY Mellon Corp Note 3.45% Due 8/11/2023	350,000.00	05/16/2019 2.79%	359,205.00 359,205.00	103.98 2.22%	363,917.05 1,677.08	1.23% 4,712.05	A1 / A AA-	3.36 3.16
02665WCQ2	American Honda Finance Note 3.625% Due 10/10/2023	260,000.00	10/03/2018 3.64%	259,786.80 259,786.80	101.60 3.14%	264,167.28 4,476.88	0.90% 4,380.48	A3 / A NR	3.53 3.24
06051GHF9	Bank of America Corp Callable Note 1X 3/5/2023 3.55% Due 3/5/2024	350,000.00	03/06/2019 3.24%	351,424.50 351,424.50	104.01 2.13%	364,038.15 897.36	1.23% 12,613.65	A2 / A- A+	3.93 2.78



First 5 Alameda County

Holdings Report

Account #10022

As of March 31, 2020

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
CORPORATE									
89114QCB2	Toronto Dominion Bank Note 3.25% Due 3/11/2024	350,000.00	03/26/2019 2.97%	354,431.00 354,431.00	105.37 1.83%	368,785.20 631.94	1.24% 14,354.20	Aa3 / A AA-	3.95 3.70
404280BS7	HSBC Holdings PLC Callable Note 1X 5/18/2023 3.95% Due 5/18/2024	350,000.00	08/28/2019 2.38%	367,794.00 367,794.00	102.47 3.11%	358,641.85 5,107.57	1.22% (9,152.15)	A2 / A A+	4.13 2.89
69371RQ25	Paccar Financial Corp Note 2.15% Due 8/15/2024	75,000.00	08/08/2019 2.20%	74,834.25 74,834.25	97.16 2.85%	72,868.35 206.04	0.25% (1,965.90)	A1 / A+ NR	4.38 4.12
78015K7C2	Royal Bank of Canada Note 2.25% Due 11/1/2024	355,000.00	12/05/2019 2.26%	354,815.40 354,815.40	100.48 2.14%	356,714.65 3,483.44	1.21% 1,899.25	A2 / A AA	4.59 4.29
14913Q3B3	Caterpillar Finl Service Note 2.15% Due 11/8/2024	325,000.00	02/19/2020 1.83%	329,628.00 329,628.00	100.44 2.05%	326,444.63 2,775.59	1.11% (3,183.37)	A3 / A A	4.61 4.33
90331HPL1	US Bank NA Callable Note Cont 12/21/2024 2.05% Due 1/21/2025	365,000.00	01/16/2020 2.10%	364,222.55 364,222.55	99.26 2.21%	362,312.14 1,454.93	1.22% (1,910.41)	A1 / AA- AA-	4.81 4.53
Total Corporate		7,982,000.00	2.62%	7,981,063.11 7,981,063.11	2.06%	8,095,201.00 48,548.51	27.40% 114,137.89	A1 / A+ A+	2.64 2.37
MONEY MARKET FUND FI									
60934N104	Federated Investors Government Obligations Fund	63,068.86	Various 0.34%	63,068.86 63,068.86	1.00 0.34%	63,068.86 0.00	0.21% 0.00	Aaa / AAA AAA	0.00 0.00
Total Money Market Fund FI		63,068.86	0.34%	63,068.86 63,068.86	0.34%	63,068.86 0.00	0.21% 0.00	Aaa / AAA AAA	0.00 0.00
MUNICIPAL BONDS									
13063DRK6	California St Taxable GO 2.4% Due 10/1/2024	345,000.00	10/16/2019 1.91%	352,924.65 352,924.65	103.31 1.63%	356,409.15 3,611.00	1.21% 3,484.50	Aa2 / AA- AA	4.51 4.22
Total Municipal Bonds		345,000.00	1.91%	352,924.65 352,924.65	1.63%	356,409.15 3,611.00	1.21% 3,484.50	Aa2 / AA- AA	4.51 4.22
SUPRANATIONAL									
45950KCM0	International Finance Corp Note 2.25% Due 1/25/2021	545,000.00	Various 2.49%	541,364.20 541,364.20	101.40 0.53%	552,635.45 2,248.13	1.87% 11,271.25	Aaa / AAA NR	0.82 0.81



First 5 Alameda County

Holdings Report

Account #10022

As of March 31, 2020

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
SUPRANATIONAL									
4581X0CW6	Inter-American Dev Bank Note 2.125% Due 1/18/2022	545,000.00	01/10/2017 2.15%	544,329.65 544,329.65	102.84 0.54%	560,474.19 2,348.42	1.89% 16,144.54	Aaa / NR AAA	1.80 1.76
4581X0CZ9	Inter-American Dev Bank Note 1.75% Due 9/14/2022	250,000.00	09/26/2017 2.01%	246,912.50 246,912.50	102.99 0.52%	257,483.50 206.60	0.87% 10,571.00	Aaa / AAA AAA	2.46 2.40
Total Supranational		1,340,000.00	2.26%	1,332,606.35 1,332,606.35	0.53%	1,370,593.14 4,803.15	4.63% 37,986.79	Aaa / AAA AAA	1.53 1.50
US TREASURY									
912828B90	US Treasury Note 2% Due 2/28/2021	240,000.00	04/26/2016 1.40%	246,741.43 246,741.43	101.76 0.08%	244,218.72 417.39	0.82% (2,522.71)	Aaa / AA+ AAA	0.92 0.91
912828T34	US Treasury Note 1.125% Due 9/30/2021	555,000.00	11/09/2016 1.48%	545,614.56 545,614.56	101.38 0.21%	562,631.25 17.06	1.89% 17,016.69	Aaa / AA+ AAA	1.50 1.49
912828J43	US Treasury Note 1.75% Due 2/28/2022	580,000.00	03/13/2017 2.14%	569,512.10 569,512.10	102.92 0.22%	596,947.02 882.61	2.01% 27,434.92	Aaa / AA+ AAA	1.92 1.89
912828XG0	US Treasury Note 2.125% Due 6/30/2022	450,000.00	08/15/2017 1.82%	456,382.37 456,382.37	104.30 0.21%	469,371.15 2,416.90	1.59% 12,988.78	Aaa / AA+ AAA	2.25 2.20
912828L24	US Treasury Note 1.875% Due 8/31/2022	250,000.00	09/26/2017 1.87%	250,108.26 250,108.26	103.92 0.25%	259,795.00 407.61	0.88% 9,686.74	Aaa / AA+ AAA	2.42 2.37
912828L57	US Treasury Note 1.75% Due 9/30/2022	540,000.00	10/17/2017 1.99%	534,009.38 534,009.38	103.72 0.26%	560,102.58 25.82	1.88% 26,093.20	Aaa / AA+ AAA	2.50 2.45
912828N30	US Treasury Note 2.125% Due 12/31/2022	450,000.00	01/25/2018 2.46%	443,003.91 443,003.91	105.07 0.27%	472,816.35 2,416.90	1.60% 29,812.44	Aaa / AA+ AAA	2.75 2.67
912828V23	US Treasury Note 2.25% Due 12/31/2023	425,000.00	06/26/2019 1.78%	433,533.20 433,533.20	107.17 0.32%	455,480.58 2,416.90	1.54% 21,947.38	Aaa / AA+ AAA	3.75 3.60
912828B66	US Treasury Note 2.75% Due 2/15/2024	600,000.00	04/29/2019 2.31%	611,859.38 611,859.38	109.29 0.34%	655,734.60 2,085.16	2.21% 43,875.22	Aaa / AA+ AAA	3.88 3.70
912828X70	US Treasury Note 2% Due 4/30/2024	110,000.00	06/10/2019 1.92%	110,386.72 110,386.72	106.69 0.35%	117,356.25 924.73	0.40% 6,969.53	Aaa / AA+ AAA	4.08 3.91
912828XX3	US Treasury Note 2% Due 6/30/2024	600,000.00	12/12/2019 1.74%	606,867.19 606,867.19	106.92 0.36%	641,508.00 3,032.97	2.17% 34,640.81	Aaa / AA+ AAA	4.25 4.08
912828D56	US Treasury Note 2.375% Due 8/15/2024	600,000.00	08/29/2019 1.45%	626,601.56 626,601.56	108.74 0.36%	652,429.80 1,800.82	2.20% 25,828.24	Aaa / AA+ AAA	4.38 4.17



First 5 Alameda County

Holdings Report

Account #10022

As of March 31, 2020

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
9128283D0	US Treasury Note 2.25% Due 10/31/2024	450,000.00	11/07/2019 1.77%	460,177.73 460,177.73	108.53 0.37%	488,390.40 4,255.84	1.66% 28,212.67	Aaa / AA+ AAA	4.59 4.34
912828ZC7	US Treasury Note 1.125% Due 2/28/2025	525,000.00	03/18/2020 0.81%	533,100.59 533,100.59	103.67 0.37%	544,257.00 513.59	1.83% 11,156.41	Aaa / AA+ AAA	4.92 4.79
Total US Treasury		6,375,000.00	1.78%	6,427,898.38	0.29%	6,721,038.70 21,614.30	22.68% 293,140.32	Aaa / AA+ AAA	3.25 3.13
				28,700,944.83		29,588,866.17	100.00%	Aa1 / AA	2.77
TOTAL PORTFOLIO		28,602,917.96	2.12%	28,700,944.83	0.94%	134,469.83	887,921.34	AAA	2.53
TOTAL MARKET VALUE PLUS ACCRUED						29,723,336.00			



To: First 5 Alameda County Commission

From: Christine Hom, Finance Officer

Date: June 18, 2020

Subject: F5AC Investment Policy Revisions

ACTION REQUESTED

To review the following revisions to the Investment Policy.

BACKGROUND

First 5 Alameda County (F5AC) originally adopted an Investment Policy in May 2005. The policy is reviewed by staff on an annual basis and revisions are brought to the Executive Committee and Commission for consideration and approval as necessary.

Each year, prior to such review, F5AC Finance staff works with the investment manager, Chandler Asset Management to ensure compliance with California Government Code Sections 16429.1, 53600 – 53609, and 53630 – 53686, which guides the investment of public funds and to incorporate industry best practices.

RECOMMENDATIONS

The following revisions are proposed to the investment policy that was last approved by the Commission in June 2017. The major changes and the reasons are shown in “track changes” for easy identification.

1. Section II: Objectives, 3.: Replace “Yield” with “Return” (page 2)
2. Section VI: Eligible Investments:
 - a. A. Authorized Investments, 2. Federal Instrumentality Securities: Add clarification that the maximum percent of agency callable securities in the portfolio will be 20% (page 7)
 - b. A. Authorized Investments, 8: Add reference to authorized issuers not defined in sections 1 and 2 of the policy having a rating of at least “AA” or the equivalent by a NRSRO, delete reference of “A” rating (page 8)
 - c. A. Authorized Investments, 9: Add clarification to money market mutual funds purchased having the highest ranking or highest letter and numerical rating by no less than two NRSROs (page 8)

3. Section VIII: Social and Environmental Concerns: Addition of language stating that investments in corporate securities and depository institutions will be evaluated for social and environmental concerns. Investments are encouraged in entities that support equality of rights and that practice environmentally sound and fair labor practices. Investments are discouraged in entities that receive a significant portion of their revenues from the manufacturer of firearms, or weapons not used in our national defense. Investments that receive any revenues from the manufacturer of tobacco products is prohibited (page 11)

FISCAL IMPACT

There is no fiscal impact.

RECOMMENDATION

To approve the revised Investment Policy.

Submitted by:

DocuSigned by:
Christine Hom
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Christine Hom
Finance Officer

Reviewed by:

DocuSigned by:
Kristin Spanos
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Kristin Spanos
Chief Executive Officer

FIRST 5 ALAMEDA COUNTY INVESTMENT POLICY

ADOPTED MAY 2005; AMENDED DEC. 2005, MAY 2006, JUNE 2007, JUNE 2008, JUNE 2009, JUNE 2010 JUNE 2011, JUNE 2012, MAY 2013, DECEMBER 2014, OCTOBER 2015, ~~AND JUNE 2017~~ AND JUNE 2020

I. APPLICABILITY

The Investment Policy (the “Policy”) of First 5 Alameda County (“F5AC”) is intended to cover all funds and investment activities under the direction of F5AC. All funds shall be invested in accordance with this Policy and California Government Code Section 53601 et seq. related to the investment of public funds.

The primary funds available for investment are maintained in F5AC’s Sustainability Fund. The Long Range Financial Plan guides F5AC’s use of the Sustainability Fund with the goal of sustaining program spending at a high level as the tobacco tax declines. It is anticipated that the Sustainability Fund will be used by F5AC for program services over the course of the next 8-10 years.

The Sustainability Fund (the “Fund”) was accumulated in several ways: First, the Fund developed through the initial reserve that occurred when tax dollars were accumulated but funds could not be spent until a Strategic Plan was passed (Jan. 1999 - Jan. 2000). In addition, contributions to the Sustainability Fund were budgeted over a number of years (2001 - 2004). Finally, budgeted funds that remained unspent were directed to the Sustainability Fund rather than rolling to the subsequent year’s budget (2001-present).

The Executive Committee shall assure that F5AC operates its investing activities in accordance with this Policy. To carry out this charge, the Executive Committee’s responsibilities include the following:

1. Review the overall investment philosophy of F5AC, determine whether the investment practices follow that philosophy and this Policy, and recommend appropriate changes to the Commission.
2. Establish benchmarks and strategies for the investment portfolio. Monitor the investment performance of F5AC’s portfolio for compliance with established benchmarks.
3. Monitor the cash flow requirements of F5AC and assure investments mature to provide the amounts needed. Periodically review the appropriateness of the model and assumptions used to estimate these requirements.
4. Ensure F5AC’s compliance with applicable laws and regulations.
5. Monitor and direct the selection, evaluation, and retention of each broker/dealer, investment manager, custodian or other agent utilized by F5AC to implement the investment function. Negotiate compensation with them and monitor expenses paid and services received.

Prepare semi-annual investment reports and present to the Commission. Also communicate to the Commission actions taken by the Committee in meeting the responsibilities described herein.

II. OBJECTIVES

F5AC's funds shall be invested in accordance with all applicable F5AC policies and codes, State statutes, and Federal regulations, and in a manner designed to accomplish the following objectives, which are listed in priority order:

1. **SAFETY.** Safety of principal is the foremost objective of the investment program. The objective shall be to mitigate credit risk and interest rate risk.
 - a. *Credit Risk.* F5AC shall minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:
 - Limiting investments to the types of securities listed in Section VI of this Policy.
 - Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which F5AC will do business in accordance with Section IV.
 - Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer shall be minimized.
 - b. *Interest Rate Risk.* F5AC shall minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by:
 - Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity to meet liquidity needs.
 - Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio in accordance with Section VII of this Policy.
2. **LIQUIDITY.** The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). In addition, F5AC shall maintain a minimum of three months of operating expenditures in the Alameda County Treasury.
3. **YIELD RETURN.** The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance

compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities generally shall be held until maturity, with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal.
- A security swap would improve the quality, yield, or target duration in the portfolio.
- Liquidity needs of the portfolio require that the security be sold.

III. STANDARDS OF CARE

1. **PRUDENCE.** The standard of prudence to be used by investment officials shall be the "prudent investor standard" and shall be applied in the context of managing an overall portfolio. The "prudent investor" standard states that all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the Agency, that a prudent investor acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the Agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

F5AC's overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. F5AC recognizes that no investment is totally without risk and that the investment activities of F5AC are a matter of public record. Accordingly, F5AC recognizes that occasional measured losses may occur in a diversified portfolio and shall be considered within the context of the overall portfolio's return, provided that adequate diversification has been implemented and that the sale of a security is in the best long-term interest of F5AC.

The Finance Officer and authorized investment personnel acting in accordance with established procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectations are reported in a timely fashion to the Executive Committee and appropriate action is taken to control adverse developments.

2. **ETHICS AND CONFLICTS OF INTEREST.** Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Portfolio managers who are dealers should not buy securities from their own or related companies. Employees and officers shall refrain from undertaking personal investment

transactions with the same individual with whom business is conducted on behalf of F5AC. Individuals acting on behalf of F5AC in accordance with this Policy and related written procedures and exercising due diligence shall be relieved of personal liability for any individual security's risk or market changes.

3. **DELEGATION OF AUTHORITY.** The management responsibility for the investment program is hereby delegated to the Chief Executive Officer (the CEO) who has further delegated the authority to conduct investment transactions and to manage the operation of the investment portfolio to the Finance Officer. The Finance Officer shall maintain a list of persons authorized to transact securities business for F5AC and no person may engage in an investment transaction except as expressly provided under the terms of this Policy.

The Finance Officer shall develop written administrative procedures and internal controls, consistent with this Policy, for the operation of F5AC's investment program. Such procedures shall be designed to prevent losses arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees.

F5AC's Finance Officer may engage the support services of outside investment advisors in regard to its investment program, so long as it can be demonstrated that these services produce a net financial advantage or necessary financial protection of the Town's financial resources. The advisor(s) shall follow this Policy and such other written instructions as are provided.

IV. SELECTION OF FINANCIAL INSTITUTIONS, DEPOSITORIES AND BROKER/DEALERS

1. SELECTION OF FINANCIAL INSTITUTIONS AND DEPOSITORIES

The Finance Officer shall maintain a list of FDIC insured banks approved to provide depository and other banking services for F5AC. To be eligible, a bank shall qualify as a depository of public funds in the State of California as defined in California Government Code Section 53630.5 and shall secure deposits in excess of FDIC insurance coverage in accordance with California Government Code Section 53652.

2. **SELECTION OF BROKER/DEALERS.** The Finance Officer shall maintain a list of broker/dealers authorized to provide investment services. All broker/dealers who desire to become qualified for investment transactions must meet the following criteria:

- Be recognized as a Primary Dealer by the Federal Reserve Bank of New York or have a primary dealer within their holding company structure; or
- Report voluntarily to the Federal Reserve Bank of New York; or
- Qualify under Securities and Exchange Commission (SEC) Rule 15c3-1 (Uniform Net Capital Rule).

Each authorized broker/dealer shall maintain a minimum capital requirement of \$10,000,000 and have been in operation at least five years. In addition, authorized broker/dealers shall submit and annually update a F5AC approved Broker/Dealer Information Request form which includes the following information:

- The firm's most recent financial statements;
- Proof of Financial Industry Regulatory Authority (FINRA) certification; and
- Evidence of adequate insurance coverage.

Furthermore, authorized broker/dealers must be licensed by the State of California as a broker/dealer as defined in Section 25004 of the California Corporations Code.

In the event that an external investment advisor is not used in the process of recommending a particular transaction in F5AC's portfolio, authorized broker/dealers shall attest in writing that they have received and reviewed a copy of this Policy.

An annual review of the financial condition and registration of all qualified broker/dealers shall be conducted by the Finance Officer and the Executive Committee.

3. **MINORITY AND COMMUNITY FINANCIAL INSTITUTIONS.** From time to time, the Finance Officer may choose to invest in instruments offered by minority and community financial institutions. In such situations, a waiver to certain parts of the criteria under Paragraph 2 may be granted by the Executive Committee. All terms and relationships shall be fully disclosed to the Executive Committee prior to purchase.
4. **WORKING WITH INVESTMENT ADVISORS/PORTFOLIO MANAGERS.** Investment advisors and portfolio managers shall be selected by the Executive Committee or their designee after an initial screening and an interview process. Among the criteria for selection shall be the stability of the institution, track record, customer service, ability to comply with these investment policies, and typical return on investment.

Portfolio managers shall maintain detailed accounting records related to investment transactions and balances. They shall prepare and submit the following reports and records to F5AC:

- Monthly, a list of investments owned, including type of security, CUSIP number, number of shares, date purchased, maturity date, interest rate, accrued interest, purchase cost and market value.
- Investment advice within five business days of any trade.
- Documentation supporting three bids or offers obtained for each security purchased or sold.
- Quarterly, a report demonstrating compliance with this Policy.

- Notice of noncompliance, within five business days of the transaction, when the rating of an individual security declines below that allowed by this Policy, or the percentage of the portfolio in an investment type exceeds the maximum allowed by this Policy, or the amount allowed to be invested in one issuer exceeds the percentage allowed by this Policy.

V. SAFEKEEPING AND CUSTODY

The Finance Officer shall select one or more financial institutions to provide safekeeping and custodial services for F5AC. A Safekeeping Agreement shall be executed with each custodian bank prior to utilizing that bank's safekeeping services. Custodian banks shall be selected on the basis of their ability to provide services for F5AC's account and the competitive pricing of their safekeeping related services.

The purchase and sale of securities and repurchase agreement transactions shall be settled on a delivery versus payment basis. All securities shall be perfected in the name of the F5AC. Sufficient evidence to title shall be consistent with modern investment, banking and commercial practices.

All investment securities, except non-negotiable Certificates of Deposit, Money Market Funds and LAIF, purchased by the F5AC shall be delivered by either book entry or physical delivery and shall be held in third-party safekeeping by a F5AC approved custodian bank, its correspondent bank or its Depository Trust Company (DTC) participant account.

All Fed wireable book entry securities owned by the F5AC shall be held in the Federal Reserve System in a customer account for the custodian bank which shall name the F5AC as "customer."

All DTC eligible securities shall be held in the custodian bank's DTC participant account and the custodian bank shall provide evidence that the securities are held for the F5AC as "customer."

All non-book entry (physical delivery) securities shall be held by the custodian bank or its correspondent bank and the custodian bank shall provide evidence that the securities are held by the bank for the Town as "customer."

VI. ELIGIBLE INVESTMENTS

A. Authorized Investments

All investments shall be made in accordance with Sections 16429.1, 53600 – 53609, and 53630 – 53686 of the Government Code of California and as described within this Policy. Minimum credit quality and concentration limits shall apply at time of purchase. Permitted investments under this Policy shall include:

1. U.S. Treasury Obligations: Treasury bills, Treasury notes, Treasury bonds and Treasury STRIPS with maturities not exceeding six years from the date of trade settlement. There is no limit on the percentage of the portfolio that may be invested in these obligations.
2. Federal Instrumentality Securities: Debentures, discount notes, callable securities, step-up securities and stripped principal or coupons with maturities not exceeding five years from the date of trade settlement. Federal Instrumentality securities shall be rated at least AAA or the equivalent by a nationally recognized statistical-rating organization (NRSRO) at the time of purchase. There is no limit on the percentage of the portfolio that may be invested in instrumentalities. The maximum percent of agency callable securities in the portfolio will be 20%.
3. Negotiable Certificates of Deposit: Certificates of Deposit with a maturity not exceeding five years and issued by institutions which have long-term debt rated at least A or the equivalent by a NRSRO and/or have short-term debt rated at least A1 or the equivalent by a NRSRO. No more than 30% of the total portfolio may be invested in CDs.
4. Repurchase agreements: Repurchase Agreements with a final maturity date not exceeding 1 year, collateralized by U.S. Treasury obligations or Federal Instrumentality securities listed in items 1 and 2. For the purpose of this section, the term collateral shall mean purchased securities under the terms of F5AC's approved Master Repurchase Agreement. The purchased securities shall have a minimum market value including accrued interest of 102% of the dollar value of the funds borrowed. Collateral shall be held in safekeeping in F5AC's name by its custodian bank and the market value of the collateral securities shall be marked-to-the-market daily. There is no limit on the amount to be invested in repurchase agreements.
5. Prime Commercial paper: Prime Commercial Paper with a maturity not exceeding 270 days from the date of trade settlement with the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either sub-paragraph A. or sub-paragraph B. below:

A. The entity shall (1) be organized and operating in the United States as a general corporation, (2) have total assets in excess of \$500,000,000 and (3) have debt other than commercial paper, if any, that is rated A or higher by a NRSRO.

B. The entity shall (1) be organized within the United States as a special purpose corporation, trust, or limited liability company, (2) have program-wide credit enhancements, including, but not limited to, over collateralization, letters of credit or surety bond and (3) have commercial paper that is rated A-1 or higher, or the equivalent, by a NRSRO.

No more than 25% of the total portfolio shall be invested in commercial paper. F5AC may purchase no more than 10% of the outstanding commercial paper of any single issuer.

6. State of California's Local Agency Investment Fund (LAIF): LAIF, in accordance with California Government Code Section 16429.1. LAIF investments are limited to statutory limits.
7. Corporate Medium-term Notes: Corporate medium-term notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States, with a final maturity not exceeding five years from the date of trade settlement, and rated at least A or the equivalent by a NRSRO. The aggregate investment in medium-term notes shall not exceed 30% of the total portfolio.
8. Mortgage Pass-through Securities and Asset-backed Securities from issuers not defined in sections 1 and 2 of the Authorized Investments section of this policy: Mortgage pass-through securities and asset-backed securities shall have a maximum legal final maturity of five years and shall be rated at least "AA" or the equivalent by a NRSRO, ~~with the issuer having a long-term rating of "A" or higher by a NRSRO~~. No more than 20 percent of the portfolio may be invested in such securities, and no more than 5% of the portfolio may be invested in any single issuer.
9. Money Market Mutual Funds: Money market mutual funds which are registered under the Investment Act of 1940; are "no-load" (meaning no commission or fee shall be charged on purchases or sales or shares); have a constant net asset value of \$1.00; invest only in the securities and obligations authorized in California statutes; and have attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs ~~are rated AAA or the equivalent by a NRSRO~~. The aggregate investment in money market funds shall not exceed 20% of the portfolio.
10. Local Agency Obligations and Municipal Securities: Obligations of the State of California, California local agency obligations, as well as registered treasury notes or bonds of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California, whose long-term rating is at least A or the equivalent by at least one NRSRO. No more than 5% of the portfolio may be invested in any single issuer, and no more than 30% of the portfolio may be in Municipal Securities. The maximum maturity shall not exceed five (5) years.
11. Supranationals: Issues are US dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank. The securities shall be rated "AA" or higher by a NRSRO. No more than 30% of the total portfolio may be invested in these securities, with no more than 10% of the portfolio invested in any single issuer. The maximum maturity shall not exceed five (5) years.

B. Prohibited investment vehicles and practices

1. State law notwithstanding, any investments not specifically described herein are prohibited, including, but not limited to, mutual funds (other than government money market funds as described in Section VI A(9)), unregulated and/or unrated investment pools or trusts, collateralized mortgage obligations and futures and options.
2. Investing in inverse floaters, range notes, or mortgage derived interest-only strips is prohibited, per Government Code Section 53601.6.
3. Investment in any security that could result in a zero interest accrual if held to maturity is prohibited.
4. Trading securities for the sole purpose of speculating on the future direction of interest rates is prohibited.
5. Purchasing or selling securities on margin is prohibited.
6. Using reverse repurchase agreements, securities lending or any other form of borrowing or leverage is prohibited.
7. Purchasing securities issued by company in the tobacco business, including parent companies and their controlled subsidiaries, is prohibited.
8. Purchasing foreign currency denominated securities.

Prohibited investments held in the portfolio at the time of adoption of this Policy may be held until maturity at the discretion of the Finance Director.

C. Mitigating credit risk in the portfolio

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. F5AC shall mitigate credit risk in the following ways:

1. Abiding by the diversification requirements included in Section VI (A);
2. Limiting 5% of the total portfolio to securities of any single issuer, other than the US Government, its agencies and instrumentalities;
3. Electing to sell a security prior to its maturity and record a capital gain or loss in order to improve the quality, liquidity or yield of the portfolio in response to market conditions or F5AC's risk preferences; and

4. Reviewing securities owned by F5AC which are downgraded to a level below the quality required by this Policy. In such cases it shall be F5AC's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio.
 - If a security is downgraded two grades below the level required by F5AC, the security shall be sold immediately.
 - If a security is downgraded one grade below the level required by this Policy, the F5AC Finance Director shall use discretion in determining whether to sell or hold the security based on its current maturity, the loss in value, the economic outlook for the issuer, and other relevant factors.
 - If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio shall be monitored and reported monthly to the Executive Committee and the Commission of F5AC.

D. Mitigating market risk in the portfolio

Market risk is the risk that the portfolio will decline in value (or will not optimize its value) due to changes in the general level of interest rates. F5AC recognizes that, over time, longer-term portfolios achieve higher returns. On the other hand, longer-term portfolios have higher volatility of return. F5AC shall mitigate market risk by providing adequate liquidity for short-term cash needs, and by making some longer-term investments only with funds that are not needed for current cashflow purposes. F5AC further recognizes that certain types of securities, including variable rate securities, securities with principal paydowns prior to maturity, and securities with embedded options, will affect the market risk profile of the portfolio differently in different interest rate environments. Therefore, the following strategies shall be adopted to control and mitigate exposure to market risk:

- F5AC shall attempt to match its investments with anticipated cash flow requirements.
- Maximum final maturity of investments in the Treasury and Agency securities shall not exceed six years. All other investments shall have a final maturity as stated in Section VI, Eligible Investments.
- The weighted average maturity of the portfolio shall not exceed three years.
- Reserve funds and other funds with longer-term investment horizons may be invested in securities exceeding six years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of funds.

VII. Performance objectives and expectations

The investment portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles, taking into account prevailing market conditions, risk

constraints for eligible securities, and cash flow requirements. The performance of F5AC's investments shall be compared relative to the chosen market benchmark(s), which will be included in the monthly report. An appropriate, readily available index to use as a market benchmark will be selected. When comparing the performance of F5AC's portfolio, its rate of return shall be computed net of all fees and expenses.

VIII. SOCIAL AND ENVIRONMENTAL CONCERNS

In the event all general objectives mandated by state law and set forth in Section II above are met and created equal, investments in corporate securities and depository institutions will be evaluated for social and environmental concerns. Investments are encouraged in entities that support equality of rights regardless of sex, race, religion, creed, age, disability, or sexual orientation, as well as those entities that practice environmentally sound and fair labor practices. Investments are discouraged in entities that receive a significant portion of their revenues from the manufacturer of firearms, or weapons not used in our national defense. Investments that receive any revenues from the manufacturer of tobacco products is prohibited.

VIIIIX. REPORTING

Semi-annually, the Finance Officer shall submit to the Executive Committee a report of the investment earnings and performance results of F5AC's investment portfolio. The report shall include the following information:

1. Investment type, issuer, date of maturity, par value and dollar amount invested in all securities, and investments and monies held by the F5AC;
2. A description of the funds, investments and programs;
3. A market value as of the date of the report (or the most recent valuation as to assets not valued monthly) and the source of the valuation;
4. A statement of compliance with this Policy or an explanation for non-compliance; and
5. A statement of F5AC's ability to meet expenditure requirements for six months, and an explanation of why money will not be available if that is the case.

MONTHLY REPORTS

Monthly investment reports will be submitted or made available upon request to the Executive Committee within 30 days of the end of the reporting period. These reports will disclose, at a minimum, the following information about the characteristics of First 5 Alameda County's portfolio:

1. An asset listing showing par value, cost and independent third-party fair market value of each security as of the date of the report, the source of the valuation, type of investment, issuer, maturity date and interest rate.
2. Monthly transactions for the period.

3. A one-page summary report that shows:
 - a. Average maturity of the portfolio and modified duration of the portfolio;
 - b. Maturity distribution of the portfolio;
 - c. Average portfolio credit quality; and,
 - d. Time-weighted total rate of return for the portfolio for the prior one month, three months, twelve months and since inception compared to the First 5 Alameda's market benchmark returns for the same periods;
4. A statement of compliance with investment policy, including a schedule of any transactions or holdings which do not comply with this policy or with the California Government Code, including a justification for their presence in the portfolio and a timetable for resolution.
5. A statement that First 5 Alameda County has adequate funds to meet its cash flow requirements for the next six months.

ANNUAL REPORTS

A comprehensive annual report will be presented to the Commission. This report will include comparisons of the portfolio return to the market benchmark return, suggest policies and improvements that might enhance the investment program, and will include an investment plan for the coming year.

~~IXX.~~ POLICY REVIEW

This Investment Policy shall be adopted as needed and no less frequently than bi-annually by resolution of the Executive Committee. It shall be reviewed by F5AC at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity, yield and diversification and its relevance to current law and economic trends. Amendments to this Investment Policy shall be approved by resolution of the Executive Committee.

Glossary of Investment Terms

AGENCIES. Shorthand market terminology for any obligation issued by a *government-sponsored entity (GSE)*, or a *federally related institution*. Most obligations of GSEs are not guaranteed by the full faith and credit of the US government. Examples are:

FFCB. The Federal Farm Credit Bank System provides credit and liquidity in the agricultural industry. FFCB issues discount notes and bonds.

FHLB. The Federal Home Loan Bank provides credit and liquidity in the housing market. FHLB issues discount notes and bonds.

FHLMC. Like FHLB, the Federal Home Loan Mortgage Corporation provides credit and liquidity in the housing market. FHLMC, also called "FreddieMac" issues discount notes, bonds and mortgage pass-through securities.

FNMA. Like FHLB and FreddieMac, the Federal National Mortgage Association was established to provide credit and liquidity in the housing market. FNMA, also known as “FannieMae,” issues discount notes, bonds and mortgage pass-through securities.

GNMA. The Government National Mortgage Association, known as “GinnieMae,” issues mortgage pass-through securities, which are guaranteed by the full faith and credit of the US Government.

PEFCO. The Private Export Funding Corporation assists exporters. Obligations of PEFCO are not guaranteed by the full faith and credit of the US government.

TVA. The Tennessee Valley Authority provides flood control and power and promotes development in portions of the Tennessee, Ohio, and Mississippi River valleys. TVA currently issues discount notes and bonds.

ASKED. The price at which a seller offers to sell a security.

ASSET BACKED SECURITIES. Securities supported by pools of installment loans or leases or by pools of revolving lines of credit.

AVERAGE LIFE. In mortgage-related investments, including CMOs, the average time to expected receipt of principal payments, weighted by the amount of principal expected.

BANKER’S ACCEPTANCE. A money market instrument created to facilitate international trade transactions. It is highly liquid and safe because the risk of the trade transaction is transferred to the bank which “accepts” the obligation to pay the investor.

BENCHMARK. A comparison security or portfolio. A performance benchmark is a partial market index, which reflects the mix of securities allowed under a specific investment policy.

BID. The price at which a buyer offers to buy a security.

BROKER. A broker brings buyers and sellers together for a transaction for which the broker receives a commission. A broker does not sell securities from his own position.

CALLABLE. A callable security gives the issuer the option to call it from the investor prior to its maturity. The main cause of a call is a decline in interest rates. If interest rates decline since an issuer issues securities, it will likely call its current securities and reissue them at a lower rate of interest. Callable securities have reinvestment risk as the investor may receive its principal back when interest rates are lower than when the investment was initially made.

CERTIFICATE OF DEPOSIT (CD). A time deposit with a specific maturity evidenced by a certificate. Large denomination CDs may be marketable.

CERTIFICATE OF DEPOSIT ACCOUNT REGISTRY SYSTEM (CDARS). A private placement service that allows local agencies to purchase more than \$250,000 in CDs from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS is currently the only entity providing this service. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than \$250,000 each, so that FDIC coverage is maintained.

COLLATERAL. Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits of public monies.

COLLATERALIZED MORTGAGE OBLIGATIONS (CMO). Classes of bonds that redistribute the cash flows of mortgage securities (and whole loans) to create securities that have different levels of prepayment risk, as compared to the underlying mortgage securities.

COMMERCIAL PAPER. The short-term unsecured debt of corporations.

COST YIELD. The annual income from an investment divided by the purchase cost. Because it does not give effect to premiums and discounts which may have been included in the purchase cost, it is an incomplete measure of return.

COUPON. The rate of return at which interest is paid on a bond.

CREDIT RISK. The risk that principal and/or interest on an investment will not be paid in a timely manner due to changes in the condition of the issuer.

CURRENT YIELD. The annual income from an investment divided by the current market value. Since the mathematical calculation relies on the current market value rather than the investor's cost, current yield is unrelated to the actual return the investor will earn if the security is held to maturity.

DEALER. A dealer acts as a principal in security transactions, selling securities from and buying securities for his own position.

DEBENTURE. A bond secured only by the general credit of the issuer.

DELIVERY VS. PAYMENT (DVP). A securities industry procedure whereby payment for a security must be made at the time the security is delivered to the purchaser's agent.

DERIVATIVE. Any security that has principal and/or interest payments which are subject to uncertainty (but not for reasons of default or credit risk) as to timing and/or amount, or any security which represents a component of another security which has been separated from other components ("Stripped" coupons and principal). A derivative is also defined as a financial instrument the value of which is totally or partially derived from the value of another instrument, interest rate, or index.

DISCOUNT. The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as T-bills and banker's acceptances, are known as discount securities. They sell at a discount from par, and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

DIVERSIFICATION. Dividing investment funds among a variety of investments to avoid excessive exposure to any one source of risk.

DURATION. The weighted average time to maturity of a bond where the weights are the present values of the future cash flows. Duration measures the price sensitivity of a bond to changes in interest rates. (See modified duration).

FEDERAL FUNDS RATE. The rate of interest charged by banks for short-term loans to other banks. The Federal Reserve Bank through open-market operations establishes it.

FEDERAL OPEN MARKET COMMITTEE. A committee of the Federal Reserve Board that establishes monetary policy and executes it through temporary and permanent changes to the supply of bank reserves.

LEVERAGE. Borrowing funds in order to invest in securities that have the potential to pay earnings at a rate higher than the cost of borrowing.

LIQUIDITY. The speed and ease with which an asset can be converted to cash.

LOCAL AGENCY INVESTMENT FUND (LAIF). A voluntary investment fund open to government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office.

LOCAL GOVERNMENT INVESTMENT POOL. Investment pools that range from the State Treasurer's Office Local Agency Investment Fund (LAIF) to county pools, to Joint Powers Authorities (JPAs).

These funds are not subject to the same SEC rules applicable to money market mutual funds.

MAKE WHOLE CALL. A type of call provision on a bond that allows the issuer to pay off the remaining debt early. Unlike a call option, with a make whole call provision, the issuer makes a lump sum payment that equals the net present value (NPV) of future coupon payments that will not be paid because of the call. With this type of call, an investor is compensated, or "made whole."

MARGIN. The difference between the market value of a security and the loan a broker makes using that security as collateral.

MARKET RISK. The risk that the value of securities will fluctuate with changes in overall market conditions or interest rates.

MARKET VALUE. The price at which a security can be traded.

MARKING TO MARKET. The process of posting current market values for securities in a portfolio.

MATURITY. The final date upon which the principal of a security becomes due and payable.

MEDIUM TERM NOTES. Unsecured, investment-grade senior debt securities of major corporations which are sold in relatively small amounts on either a continuous or an intermittent basis. MTNs are highly flexible debt instruments that can be structured to respond to market opportunities or to investor preferences.

MODIFIED DURATION. The percent change in price for a 100 basis point change in yields. Modified duration is the best single measure of a portfolio's or security's exposure to market risk.

MONEY MARKET. The market in which short-term debt instruments (T-bills, discount notes, commercial paper, and banker's acceptances) are issued and traded.

MORTGAGE PASS-THROUGH SECURITIES. A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

MUNICIPAL SECURITIES. Securities issued by state and local agencies to finance capital and operating expenses.

MUTUAL FUND. An entity which pools the funds of investors and invests those funds in a set of securities which is specifically defined in the fund's prospectus. Mutual funds can be invested in various types of domestic and/or international stocks, bonds, and money market instruments, as set forth in the individual fund's prospectus. For most large, institutional investors, the costs associated with investing in mutual funds are higher than the investor can obtain through an individually managed portfolio.

NEGOTIABLE CD. A short-term debt instrument that pays interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. Negotiable CDs are traded in a secondary market and are payable upon order to the bearer or initial depositor (investor).

NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO). Examples include S&P, Moodys, and Fitch ratings.

PREMIUM. The difference between the par value of a bond and the cost of the bond, when the cost is above par.

PREPAYMENT SPEED. A measure of how quickly principal is repaid to investors in mortgage securities.

PREPAYMENT WINDOW. The time period over which principal repayments will be received on mortgage securities at a specified prepayment speed.

PRIMARY DEALER. A financial institution (1) that is a trading counterparty with the Federal Reserve in its execution of market operations to carry out U.S. monetary policy, and (2) that participates for statistical reporting purposes in compiling data on activity in the U.S. Government securities market.

PRUDENT PERSON (PRUDENT INVESTOR) RULE. A standard of responsibility which applies to fiduciaries. In California, the rule is stated as “Investments shall be managed with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of like character and with like aims to accomplish similar purposes.”

REALIZED YIELD. The change in value of the portfolio due to interest received and interest earned and realized gains and losses. It does not give effect to changes in market value on securities, which have not been sold from the portfolio.

REGIONAL DEALER. A financial intermediary that buys and sells securities for the benefit of its customers without maintaining substantial inventories of securities and that is not a primary dealer.

REPURCHASE AGREEMENT. Short-term purchases of securities with a simultaneous agreement to sell the securities back at a higher price. From the seller’s point of view, the same transaction is a reverse repurchase agreement.

SAFEKEEPING. A service to bank customers whereby securities are held by the bank in the customer’s name.

STRUCTURED NOTE. A complex, fixed income instrument, which pays interest, based on a formula tied to other interest rates, commodities or indices. Examples include inverse floating rate notes which have coupons that increase when other interest rates are falling, and which fall when other interest rates are rising, and “dual index floaters,” which pay interest based on the relationship between two other interest rates - for example, the yield on the ten-year Treasury note minus the Libor rate. Issuers of such notes lock in a reduced cost of borrowing by purchasing interest rate swap agreements.

SUPRANATIONAL. A Supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in the member countries.

TOTAL RATE OF RETURN. A measure of a portfolio’s performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains, and losses in the portfolio.

U.S. TREASURY OBLIGATIONS. Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk, and are the benchmark for interest rates on all other securities in the US and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

TREASURY BILLS. All securities issued with initial maturities of one year or less are issued as discounted instruments, and are called Treasury bills. The Treasury currently issues three- and six-month T-bills at regular weekly auctions. It also issues “cash management” bills as needed to smooth out cash flows.

TREASURY NOTES. All securities issued with initial maturities of two to ten years are called Treasury notes, and pay interest semi-annually.

TREASURY BONDS. All securities issued with initial maturities greater than ten years are called Treasury bonds. Like Treasury notes, they pay interest semi-annually.

VOLATILITY. The rate at which security prices change with changes in general economic conditions or the general level of interest rates.

YIELD TO MATURITY. The annualized internal rate of return on an investment which equates the expected cash flows from the investment to its cost.



To: First 5 Alameda County Commission

From: Mojgan Vijeh, Director of Operations & Technology

Date: June 18, 2020

Subject: FY 2020-2021 ACERA 401(h) Account Authorization

ACTION REQUESTED

That the Commission review the resolution to fund the FY 2020-2021 ACERA 401(h) account with the purpose of providing tax free health benefits to retirees.

BACKGROUND

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

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

For FY 2020-2021 (and every year), it is required that the participating member agencies of ACERA authorize the required contributions to the account. The required contribution is determined by ACERA's actuary, Segal Consulting. Based on the actuarial analysis, First 5's contribution for FY 2020-2021 is \$57,261.54. The contribution per pay period is \$2,202.37 beginning with pay period 20-14.

FISCAL IMPACT

There is no fiscal impact.

RECOMMENDATION

That the Commission approve the FY 2020-2021 ACERA 401(h) account authorization.


Submitted by:

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Mojgan Vijeh
Director of Operations & Technology

Reviewed by:

DocuSigned by:

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Kristin Spanos
Chief Executive Officer

RESOLUTION

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

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

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

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

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

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

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

NOW THEREFORE, IT IS RESOLVED AS FOLLOWS:

1. In fiscal year July 1, 2020 – June 30, 2021, First 5 Alameda County shall contribute to ACERA \$57,261.54 to be used only for the paying of retiree medical health benefits. This contribution shall be made on the terms and conditions set forth in the Agreement between First 5 Alameda County and ACERA concerning such contributions, executed on June 28, 2007.
2. This contribution shall be designated, in writing, as being only for First 5 Alameda County's IRC § 401(h) Account, and such designation shall be made at the time of contribution.
3. Such contribution is contingent on the Board of Retirement immediately transferring, in accordance with Government Code §31592.4, an amount equal to such contribution from ACERA's SRBR account to First 5 Alameda County's advance reserve account. Such amount shall be treated as a contribution for pension and therefore shall be applied to reduce the pension contribution otherwise required by First 5 Alameda County for the fiscal year beginning July 1, 2020.
4. No party, including any existing or future First 5 Alameda County employee, retiree, spouse or dependent, shall have any vested rights, contractual rights or other rights in or to any retiree medical benefits or payment or subsidy for any such benefits nor shall any such person or ACERA have any such rights to have First 5 Alameda County contribute towards paying or subsidizing the cost of any retiree medical benefits provided by ACERA under the 401(h) Account or otherwise. First 5 Alameda County may modify or terminate, at any time and without any limitation, its decision to contribute to First 5's 401(h) Account. This modification or termination may occur even if it may affect any employee first hired prior to the date of such modification, any person who retired prior to such date, and/or any person who became a spouse or dependent of an employee or retiree prior to such date.
5. All contributions by First 5 Alameda County to its 401(h) sub-account shall be governed by requirements of the Internal Revenue Code and all administrative and other applicable rules established by ACERA governing such sub-account and ACERA's 401(h) Account.



To: First 5 Alameda County Commission
From: Lyssa DeGolia, Human Resources Administrator
Date: June 18, 2020
Subject: Salary Guidelines Revisions

REQUESTED ACTION

To review the proposed revisions to the First 5 Alameda County Employee Salary Guidelines.

BACKGROUND

First 5 Alameda County has Employee Salary Guidelines to guide and systematize setting salaries and granting salary increases.

Proposed revisions are made in consultation with Joan Pugh Newman at Wiley Price & Radulovich and allow additional administrative flexibility for the agency. No salary range changes are proposed.

PROPOSED REVISIONS TO EMPLOYEE SALARY GUIDELINES

- Add Flexible Classification language to the Employee Salary Guidelines. This includes noting Flexible Classifications on Salary Levels Ranges and providing administrative details (Page 2 & 3)
- Add Salary Footnote language to the “Lateral Moves & Changes in the Same Job Description” section (Page 5)

The proposed changes will allow agency leadership administrative flexibility to address business need in the organization, as operational and analytical tasks shift over time and become more complex. In addition, this will also support employee retention strategies. Specifically, the Flexible Classification language allows the agency to efficiently align business need and employee compensation whereas the Salary Footnote language allows for additional compensation to staff providing discrete tasks that differentiate them from employees who share that same classification.

FISCAL IMPACT

No projected impact at this time; any salary changes will be made within the approved budget.

RECOMMENDATION

That the Commission approve the revisions to the Salary Guidelines.

Submitted by:

DocuSigned by:
Lyssa DeGolia
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Lyssa DeGolia
Human Resources Administrator

Reviewed by:

DocuSigned by:
Kristin Spanos
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Kristin Spanos
Chief Executive Officer



Employee Salary Guidelines

Purpose and Goals

The First 5 Alameda County (F5AC) Salary Guidelines were developed to achieve three overall goals:

- Provide competitive market-based salaries to attract and retain high quality staff
- Provide a fair and equitable system where compensation is commensurate with the responsibility level and qualifications
- Keep the compensation structure simple so it is clear, understandable and easy to administer

Job Classification System

F5AC uses a job classification system to offer a coherent salary structure where compensation progression is tied directly to the responsibility level and qualifications required for each position.

- The job classification system is a hierarchy of jobs grouped by job level.
- Job levels are not determined by specific duties, but rather by overall responsibility level, job duty complexity and qualifications required.
- This structure was originally developed through an independent third-party assessment of all positions and has evolved with organizational changes and program/functional requirements.

F5AC’s job levels and general descriptions are below. Salary ranges have been standardized for all positions in a level except at the Director & Administrator levels. The current salary ranges for each level are shown below.

Level	Description	2020 Salary Range
CEO	Responsible for managing the entire Agency including resource deployment. Requires significant organizational planning and development duties. Manages any level employee.	\$137,526 - \$185,659
Director	Responsible for managing an entire operating unit (including the entire Agency) or multiple major Agency-wide programmatic or functional areas, including resource deployment within those areas. Requires significant organizational planning and development duties. Salary ranges in the Director level vary to accommodate different levels of responsibility.	Director of Operations & Technology \$124,739- \$168,398 Director \$104,926 - \$145,138

Finance	Responsible for Finance Department planning, management and oversight, including professional level employee supervision. This classification differs from Director because it does not exercise director-level management duties and oversight responsibilities are fewer.	\$105,996 - \$145,469
Senior Administrator	Responsible for planning, managing and oversight of multiple program or functional areas, including professional level employee supervision. This classification differs from Directors because it does not exercise director-level management duties and oversight responsibilities are fewer.	\$95,397 - \$131,944
Administrator	Responsible for overall planning, management and support of at least one program or functional area. When employee supervision is a responsibility of the position, strong management experience is required.	Administrator, Finance & Evaluation \$85,857 - \$119,678 Administrator \$77,272 - \$108,551
Manager II & Family Service Specialist II	Responsible for supervising the day-to-day activities of at least one program or functional area, involving significant program and/or administrative responsibilities, including planning and supervisory duties. This level may also include positions that provide direct services to families requiring specific licenses. Employee Supervisory responsibilities are not required for this level.	\$69,543 - \$98,459
Manager <u>(option to flex into Manager II)</u>	Responsible for supervising day-to-day activities of at least one program or functional area, involving hands-on duties requiring specific technical or content knowledge. Supervisory duties are generally limited.	\$63,002- \$85,052
Family Service Specialist <u>(option to flex into Family Services Specialist II)</u>	Provides direct services to families without a requirement for specific licenses.	\$54,423- \$73,486

Senior Associate	Responsible for Associate level and Manager level responsibilities. Manager level responsibilities have a defined, limited scope typically not more than one-third of working time. Senior Associates must meet the minimum qualifications of the comparable Manager position.	\$51,832- \$69,972
Associate <u>(option to flex into Senior Associate)</u>	Responsible for coordinating and performing day-to-day program or functional area activities, requiring a moderate skill-level and some prior experience.	\$47,012- \$63,481

Flexible Staffing Classifications

Flexible Staffing classifications are designated for classifications that provide both entry level classification and a second step that allows for more complex responsibilities within the same classification group. "Flexing" from entry level to the second step will be based on agency business needs for increasingly necessary complex duties for the function, not on time spent in the classification. Employees must have an "Exceeds Expectations" overall rating in the most recent annual review process to be considered for the flex opportunity.

The following are Flexible Classifications:

- Administrative Associate to Senior Associate
- Family Services Specialist to Family Services Specialist II
- Manager to Manager II

To request a Flexible Classification, the manager or supervisor must propose justifications in writing why the more complex responsibilities are required to meet business need warranting a higher classification and estimated budget impacts to their supervisor and/or Division Director. Once approved by the Division Director, the request should be submitted to Human Resources for review. Human Resources proposes the Flexible Classification recommendation to the CEO for approval. Any proposed changes must have CEO approval prior to offering or discussing with the employee.

Individual Compensation Guidelines

The guidelines for determining individual employee compensation include:

- Determining starting salaries
 - Supervision Differential
 - Temporary Employee Salaries
- Cost of living adjustments (COLA)
- Merit Increases
- Job Classification Changes
- Lateral Moves ~~&~~, Changes in the Same Job Description & Salary Footnotes

Determining Starting Salaries

Open positions are posted with a salary range for the job classification level. The decision about the specific starting salary is based on the candidate's experience and qualifications, along with

consideration for internal equity. Starting salaries must be approved by the CEO or designee prior to extending an employment offer.

- **Supervision Differential**

At minimum, a newly hired supervisor will generally be paid at least 5% more than their direct reports, even when the employees are classified in the same job level. This differential may not necessarily be maintained over time, depending on the merit increases.

- **Temporary Employee Salaries**

The CEO or designee approves temporary employee's compensation and may approve an augmentation above a salary level. They are not eligible for merit increases or COLAs. Any adjustment to a temporary employee's salary is handled on a case by case basis at the supervisor's recommendation to Human Resources. The CEO or designee must approve any salary change for a temporary employee.

Cost of Living Adjustments (COLA)

There is no guarantee that a COLA will be available each year. The Commission considers whether or not to approve COLAs in any particular year based on economic and budgetary factors.

Generally, COLAs are recommended and set annually. The Director of Operations and Technology and the CEO develop a proposed COLA based on local consumer price index (CPI) changes and submits the proposal to the Commission for consideration. No COLA is provided without the Commission's approval.

Any Commission approved COLA will be applied to all regular staff, in all salary levels, effective the first full pay period in January each year.

Merit Increases

Employees are eligible to be considered for merit-based salary increases, typically on an annual basis as part of the performance review process. Merit increases, if any, may be awarded in recognition of excellent job performance. Typically, employees are not eligible for a merit increase at their initial six-month review.

Merit increases may be awarded up to 5% per year. The specific merit increase, if any, is largely based on the performance review results. The supervisor conducting the performance review may propose, an increase and documents it on the performance review. The CEO or designee reviews and considers all merit increase proposals.

If granted, the merit increase is effective on the employee's review date and processed in the first payroll following CEO or designee's approval, Supervisors are responsible for conducting timely performance reviews and submitting merit increase recommendations as appropriate.

Employees who have reached the top of the salary range for their job classification level are not eligible for further merit increases but remain eligible to receive COLAs.

The ability to provide merit increases may be restricted or suspended based on budgetary considerations and Commission decisions.

Job Classification Changes

Job classification changes include promotions, reclassifications (to a higher or lower position) and demotions.

Promotions are based on an employee applying for an open position and being selected for that position.

A reclassification is atypical and requires a significant increase in job responsibilities. To be considered for reclassification to the next level, an employee must meet the qualifications for the position at the next level and be in the job for more than a year. Reclassification to the next level does not necessarily guarantee a salary increase.

After a promotion or reclassification to a higher level that results in a salary increase, the employee will receive a 6-month performance evaluation. Typically, no merit increase is available at this time. The employee receives a performance review one year from the promotion or reclassification effective date and annually thereafter.

For Example, classification changes involving a demotion to a lower job level may occur due to:

- Poor performance
- An employee's request
- Reclassification of a job based on an evaluation of the level of responsibility currently required for the position

When a demotion occurs, the employee's salary is reassessed relative to the salary range for the lower position. Generally, if the reclassification is due to poor performance or employee's request, and the employee's current salary is higher than the top of the range of the lower position, the salary is reduced to the new range. If the reclassification is due to other reasons, the employee's salary is generally "red-circled" and no salary increase (other than COLAs) is granted until such time as the salary range for the new position exceeds the employee's current salary. The CEO or designee, in conjunction with Human Resources, has the discretion for determining when an employee's salary is "red-circled."

All classification and salary changes are documented in writing and subject to approval by the CEO or designee.

Lateral Moves & Changes in the Same Job Description & Salary Footnotes

Generally, employees making a lateral move are not eligible for a salary increase unless the new position has a significant increase in responsibility level and an increase is approved by the CEO or designee.

Periodically, a substantial change in duties in the same job description may warrant a salary change. In such event, the supervisor typically proposes in writing a change to Human Resources and any such changes are subject to approval by the CEO or designee.

A salary footnote, not to exceed 10% of current base salary, may be granted to staff performing additional and/or more complex responsibilities differentiating them from other employees within their classification. The footnote is not subject to the salary cap and will be removed when additional work is no longer performed or deemed unnecessary by agency. Supervisors may propose this increase to the Senior Administrator, Division Director and Human Resources. Any proposed changes must have CEO approval prior to offering or discussing with the employee.

Any proposed changes in this section must have CEO approval prior to offering or discussing with the employee.

Other Salary-related Guidelines

Job Descriptions

Changes in job descriptions are expected as duties and responsibilities change over time. F5AC's job descriptions are structured broadly to allow changes. Supervisors review job descriptions with employees annually and document the process on the performance review. Any proposed job description revisions must be approved by HR.

Salary Range Revisions

F5AC management typically reviews all salary ranges approximately every three to four years to keep competitive with local market compensation levels. Any changes to salary range is proposed to the Commission for consideration.

Subject to Commission approval, employee salaries below the bottom of the revised range receive an increase to come within the low end of the range. Employees who were at the top of the salary range before the adjustment may be eligible for a merit increase at the time of their next performance review.

Compensation Guidelines Changes

The Commission reserves the right to amend these guidelines at any time and for any reason. All approved changes made to the guidelines will be communicated in writing to all employees in a timely manner.

No oral statements or representations can in any way change or alter the written policies and procedures presented in these guidelines.



To: First 5 Alameda County Commission

From: Kristin Spanos, Chief Executive Officer

Date: June 18, 2020

Subject: FY 2017-22 Strategic Plan: Annual Update FY 2020-21 – Second Reading

ACTION REQUESTED

Review the final reading of the FY 2017-22 Strategic Plan: Annual Update FY 2020-21.

BACKGROUND

The FY 2017-22 First 5 Alameda County Strategic Plan must have an annual review by the Commission prior to the release of state funds for FY 2020-21. This represents the second and final reading of the FY 2017-22 Strategic Plan. Changes are highlighted in red text in the attached draft and listed below:

- Page 1 (cover) and 9, change 2017-2021 to 2017-2022
- Page 5, 18 and 32, Agency-Level Headline Measures:
 - Change #3. “% of children with concerns touched by F5AC programs and investments who have developmental improvements” to “% of children with concerns touched by F5AC programs and investments who demonstrate better health and development outcomes*”
- Page 20 and 21:
 - Add 2021/22 column for each strategy, with allocation amount the same as 2020/21
 - Add new section for ‘Covid-19 Community Resilience Fund’ with allocations for 2019/20 at \$1,000,000, for 2020/21 at \$2,000,000
- Page 22, Parent Engagement and Support:
 - Add performance measure “% of children with concerns touched by F5AC programs and investments who demonstrate better health and development outcomes*”
- Page 23, Early Identification:
 - Add performance measure “% of children with concerns touched by F5AC programs and investments who demonstrate better health and development outcomes*”
 - Change performance measure “% of children linked to services by Help Me Grow” to “% of families linked to services by Help Me Grow”
 - Change performance measure “% of providers who know how to identify and refer for concerns that impact development*” to “% of providers with increased ability to connect or refer children and families to HMG services”
- Page 24, Quality Early Childhood Education:
 - Change performance measure “% of programs with improved teacher/child interactions and ECE environments” to “% of programs with improved teacher/child interactions or ECE environments”

- Delete performance measure “% of early care and education providers who utilize best practices*”
- Change performance measure “% of childcare site providers who report they received what they needed to improve their practice*” to “% of providers who report they received what they needed to improve their practice*”
- Page 25, Fatherhood:
 - Change performance measure “# of school boards, city councils, or other public entities engaged by F5AC who institute components of the fatherhood policy platform” to “# of school boards, city councils, or other public and community based entities engaged by F5AC who have implemented components of the fatherhood policy platform”
- Page 26, Neighborhoods Ready for School:
 - Change performance measure “% of children who are ready for kindergarten within a neighborhood*” to “% of children who are ready or on track for kindergarten within a neighborhood*”
 - Add performance measure “% of children with concerns touched by F5AC programs and investments who demonstrate better health and development outcomes*”
- Page 28, Policy, Planning, and Evaluation:
 - Change performance measure “# of agencies that make administrative policies and practices changes based on F5AC policy agenda” to “# of agencies that make administrative policies and practices changes consistent with First 5’s policy priorities”
 - Change performance measure “% of evaluations and data analysis contributing to policy change and informing practice*” to “# of evaluations and data analysis contributing to policy change and informing practice*”
 - Add performance measure “% of internal First 5 staff using tools from Results Based Accountability”
- Page 29, Training and Capacity Building:
 - Move performance measure “% of internal First 5 staff using tools from Results Based Accountability” to Policy, Planning, and Evaluation strategy
- Page 30, Communications:
 - Change performance measure “% of target audience that reported they took action as a result of communication efforts*” to “% of target audience that took action as a result of communication efforts*”
 - Change performance measure “% of evaluations and data analysis contributing to policy change and informing practice*” to “# of evaluations and data analysis contributing to policy change and informing practice*”
- Page 32, Strategies and Performance Measures:
 - Edit according to changes by Strategy outlined above.

FISCAL IMPACT:

The goal, as per the Long-Range Financial Plan, is to keep the program funding level relatively constant for the entire five years of the plan.

RECOMMENDATION:

That the Commission approve the FY 2020-21 annual updates to the FY 2017-22 Strategic Plan.

Submitted by:

DocuSigned by:
Lisa Forti
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Lisa Forti
Director of Policy, Planning and Evaluation

Reviewed by:

DocuSigned by:
Kristin Spanos
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Kristin Spanos
Chief Executive Officer



STRATEGIC PLAN

2017-2022



ACKNOWLEDGMENTS

First 5 Alameda County would like to thank:

Parents and families for sharing their experiences, strengths, and struggles to inform our work.

Partners for providing valuable insight and recommendations.

Staff for contributing countless hours and energy to thoughtful dialogue and decision-making.

F5AC Commissioners for their guidance and support.

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Executive Summary



As we look to the future of First 5 Alameda County (F5AC), we are faced with both the challenge of declining tobacco revenue and the opportunity of increasing awareness and support around early childhood. Since 2000, Proposition 10 (Prop 10) allocations for Alameda County have declined by approximately 40 percent. This plan outlines how we will use the limited resources with which we've been entrusted in the most effective and impactful way to contribute to the early childhood movement in Alameda County and beyond. This means a shift away from direct service provision to a stronger embrace of our role as a catalyst, collaborator, capacity builder and policy advocate.

In recent decades there have been significant advances in understanding the critical role of the early childhood system of care as a preventive/early intervention strategy for supporting health outcomes, prevention of child abuse and neglect, and school readiness. As a result, early childhood best practices addressing those issues have been established. However, there is growing acknowledgement that if we are to have lasting impact on children and families, we need to support families around workforce, financial resources, housing stability, and ensure their basic needs are met. Consistent with these findings, we are expanding our work to focus on eliminating the persistent inequities and disparities in our communities, particularly those impacted by poverty, which undeniably keeps children from reaching their optimal health and wellbeing.

Currently, F5AC funds and staffs direct service programming. While we will continue to seek opportunities for external funding to help sustain our direct service efforts, the fiscal realities of Prop 10 necessitate strategic decisions to ensure the optimal impact of our work despite declining resources.

Moving forward we will work hand in hand with F5AC commissioners and partners to assure that the services and supports established over the last 15 years will be sustained. Most importantly, making sure families have what they need to help their children succeed and live in healthy communities. The continued evolution of this work may require new ways of thinking, new resources, and better support for and recognition of the existing strengths and social capital in our neighborhoods.

Limited Prop 10 dollars means that F5AC needs to distinguish our accountability to the children and families we directly touch through our programs (agency level results) from those investments that reach the entire 0-5 population and their families (population level results). F5AC adopted the Results Based Accountability (RBA) framework that provides scaffolding for implementation, monitoring, and continuous improvement. After an extensive ten month planning period that engaged staff, partners, F5AC commissioners and parents, we developed the following population and agency level indicators that will enable us to track our impact.

POPULATION-LEVEL RESULTS & INDICATORS:

THE COUNTY-WIDE MEASURES TO WHICH F5AC, AND MANY OTHER PARTNERS, CONTRIBUTE.

- **Children are ready for kindergarten, and can later achieve success in the third grade**
 - + Baseline INDICATOR: In 2015, 44 percent of children at 47 schools across Alameda County were fully ready for kindergarten.
- **Children are free from abuse and neglect**
 - + Baseline INDICATOR: In 2015, the incidence of substantiated allegations of abuse and neglect per 1000 children 0-5 in Alameda County is 3.8; the incidence of allegations is 29.4.

AGENCY-LEVEL RESULTS:

THE GOALS THAT GUIDE OUR WORK.

1. F5AC programs and investments support and strengthen parents/primary caregivers, families, and neighborhoods to create environments and relationships where children thrive.
2. F5AC programs and investments increase access and opportunity, particularly for children living in poverty, to quality early experiences that prepare children for school and help them reach their optimal developmental outcomes.
3. F5AC programs, investments, and policy advocacy support a system of care that is coordinated, accessible, and responsive, delivered by knowledgeable and caring providers.

AGENCY-LEVEL HEADLINE MEASURES:

THE MEASURES BY WHICH WE WILL HOLD OURSELVES ACCOUNTABLE TO OUR VISION, MISSION, AND RESULTS.

1. % of families touched by F5AC programs and investments who have what they need to support their child's growth and wellbeing
2. % of children touched by F5AC programs and investments ready for kindergarten
3. % of children with concerns touched by F5AC programs and investments who demonstrate better health and development outcomes
4. % of providers touched by F5AC programs and investments that increase capacity to deliver best or promising practices
5. # of local policy and administrative changes made to support early childhood via F5AC programs and investments

We selected the following strategies to act as levers to achieve our agency results.

PROGRAMS AND INVESTMENTS

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

CAPACITY BUILDING & SUSTAINABILITY

- Policy, Planning, and Evaluation
- Training and Capacity Building
- Communications
- Administration, Information and Technology

This represents an annual Prop 10 investment of approximately \$14.8 million. In order to operationalize the strategic plan, F5AC will develop an implementation plan with timelines, responsibilities and internal deliverables.

The Future of First 5 Alameda County

ELEVATING STRATEGIC PARTNERSHIPS TO SUPPORT FAMILY WELLBEING AND TO ADDRESS POVERTY AND INEQUITIES



First 5 Alameda County (F5AC) is an innovative public entity created by the passage of Proposition 10 (Prop 10) in 1998, which added fifty cents per pack of cigarettes to help fund early childhood education and development related services for children ages birth to five. Over the last 15 years, F5AC has evolved from a start-up to a major early childhood voice in state and local policy, as well as a funder and provider of services. F5AC assets include deeply knowledgeable staff, flexible funding, a broad cross discipline perspective that supports systems integration, and strong relationships with our community partners. As a result, we have developed, administered and evaluated multiple initiatives and programs to enhance the early childhood system of care.

OUR VISION

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

As we look to the future of F5AC, we are faced with both the challenge of declining tobacco revenue and the opportunity of increasing awareness and support around early childhood. Since 2000, Prop 10 allocations for Alameda County have declined by approximately 40 percent. This plan outlines how we will use the limited resources with which we've

been entrusted in the most effective and impactful way to contribute to the early childhood movement in Alameda County and beyond. This means a shift away from direct service provision to a stronger embrace of our roles as a catalyst, collaborator, capacity builder and policy advocate. We will also broaden our focus to address issues such as poverty and equity that directly impact child and family outcomes.

Currently, F5AC funds and staffs direct service programming. While we will continue to seek opportunities for external funding to help sustain our direct service efforts, the fiscal realities of Prop 10 necessitate strategic decisions to ensure the optimal impact of our work despite declining resources. Our options include:

- Leveraging our investments with key partners
- Working on state and local policy changes to sustain critical services
- Transitioning F5AC internal programs to the community and partners
- Discontinuing some programs

OUR MISSION

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



In recent decades there have been significant advances in understanding the critical role of the early childhood system of care as a preventive/early intervention strategy for supporting health outcomes, prevention of child abuse and neglect, and school readiness. As a result, early childhood best practices addressing those issues have been established. However, there is growing acknowledgement that if we are to have a lasting impact on children and families, we need to support families around workforce, financial resources, housing stability, and ensure their basic needs are met. Consistent with these findings, we are expanding our work to focus on eliminating the persistent inequities and disparities in our communities, particularly those impacted by poverty, which undeniably keeps children from reaching their optimal health and wellbeing.

EQUITY STATEMENT

Equity is just and fair inclusion into a community and society in which all, including all racial and ethnic groups, can participate, prosper, and reach their full potential. **Equity** means giving everyone what they need to be successful; in contrast, **equality** means treating everyone the same. Equity gives all children 0-5, families and communities the best opportunities in life despite historic patterns of racial and economic exclusion. In public policy, equity is operationalized by focusing programs and investments on the people and places that face the greatest barriers.

First 5 Alameda County is committed to promoting and operationalizing public policy that seeks to achieve equity. Specifically, F5AC intends to take an active role in the movement to eradicate poverty as a means to achieving our mandate that all children in Alameda County are born healthy and reach their full potential. This requires the strategic and creative use of our investments, programs, partnerships, engagement with parents and communities, and advocacy for policy and systems change.



F5AC WILL ADVANCE OUR ROLE AS A CATALYST, COLLABORATOR, CAPACITY BUILDER AND POLICY ADVOCATE BY:

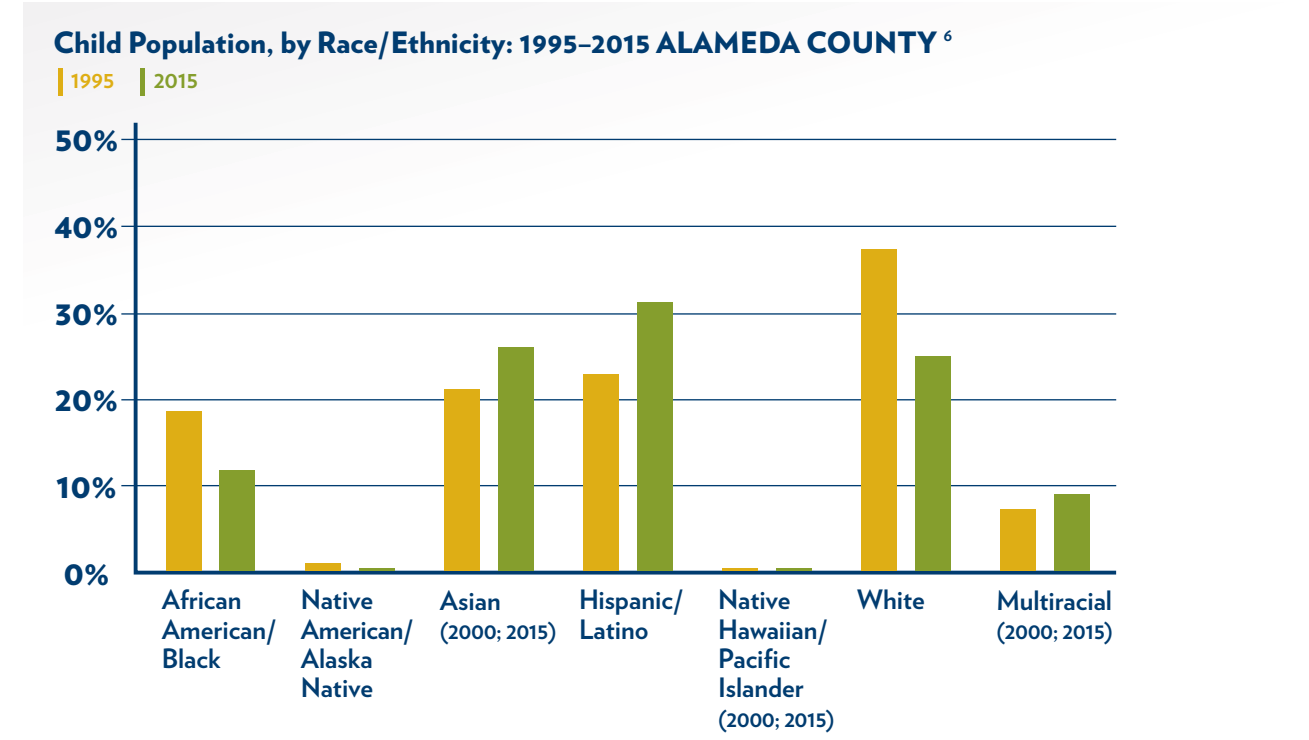
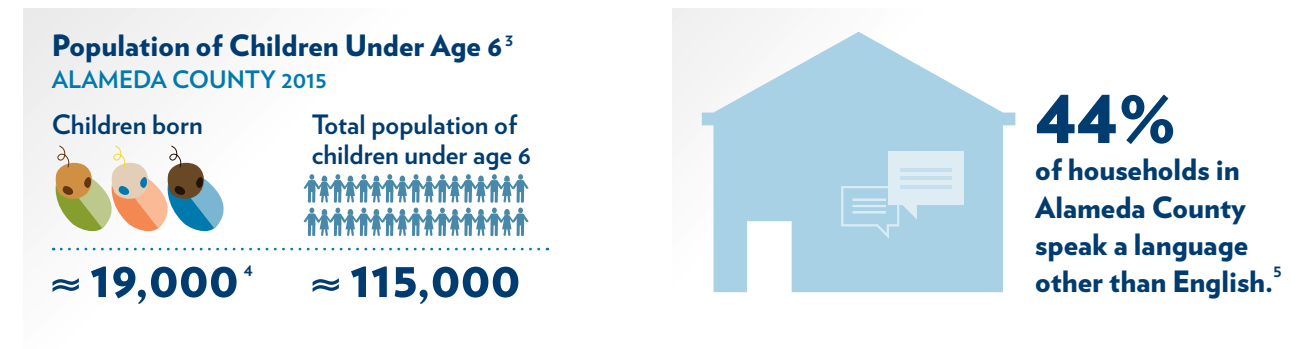
- 1 Leading and participating in key initiatives in Alameda County and the state by serving as an intermediary and convener for local funders and stakeholders around early childhood policy, fund development and systems change.
- 2 Supporting an integrated early childhood system of care that contributes to school readiness including family support, promotion of child development and early identification, and quality early care and education.
- 3 Supporting the sustainability of programs by seeking “matching funds” from county and community agencies to continue effective services F5AC has supported over the past 15 years. We will work with our partners to seek additional funding and/or realign existing funding to support programming and policy efforts.
- 4 Targeting our work by developing partnerships with neighborhoods and providing a variety of early childhood and two generation family supports. This may include cultivating parent leaders who will explore new ways to make their neighborhoods, both the built environment and services, child friendly.
- 5 Advocating for legislation and policy changes at the national, state and local level that lead to additional funding for the early childhood system of care and allows programs to go to scale. This could include advancing efforts for a local tax that supports early childhood efforts, developing a Pay for Success model, or other creative financing approaches that are long term and sustainable.
- 6 Infusing early childhood and family practices into those agencies and organizations beyond the early childhood field. This includes: faith based organizations, private business, criminal justice system, housing, city services and planning, school districts, workforce programs, and parks.
- 7 Investing in, piloting, and evaluating innovative approaches for supporting families that will advance the field as funding allows.
- 8 Working with partners to leverage all of the disparate data collection efforts, to support community wide benchmarks, common data collection, GIS mapping, policy and programmatic analyses, and to engage in collaborative evaluations to monitor short and long-term impact across the county and to identify gaps for future policy work.

Moving forward we will work hand in hand with F5AC commissioners and partners to assure that the services and supports established over the last 15 years will be sustained. Most importantly, making sure families have what they need to help their children succeed and live in healthy communities. The continued evolution of this work may require new ways of thinking, new resources, and better support for and recognition of the existing strengths and social capital in our neighborhoods.

Working Together to Meet the County’s Needs

As we present our 2017-2022 strategic plan, we recognize that although First 5 Alameda County’s (F5AC) investments and resources are substantial, they are not adequate to meet the needs of our County’s families and children. For example, one in seven children in Alameda County lives below the federal poverty line (24,300 for a family of 4), and for children of color that number is even greater¹; it is estimated that less than half of children enter kindergarten ready². To better support children’s development, we seek to strengthen existing partnerships in the early childhood field, and forge new ones with public, private and non-profit sector entities, including those who may not see early childhood as a core part of their mission. Working together, we can build and sustain healthy, prosperous families and communities where all children can thrive.

THE COUNTY’S CHILDREN



CHILD OUTCOMES

44% of Alameda County Children are **READY for KINDERGARTEN** in 2015 ⁷



The Opportunity Gap for Children of Color ⁸

Our systems are largely failing children of color, so that by the time they reach kindergarten, only 25% of African American and Latino boys and 34% of Latina girls are assessed ready for school. Countywide, only 44% of all children are ready. F5AC is committed to working with partners to close the opportunity gap by preparing systems to better serve children of color, investing in them, their families, and their neighborhoods.

25% of African American and Latino boys

34% of Latina girls

In 2015 the incidence of abuse and neglect of children 0-5 in Alameda County. ⁹

SUBSTANTIATED ALLEGATIONS: **3.8 PER 1000** CHILDREN

ALLEGATIONS: **29.4 PER 1000** CHILDREN

FINANCIAL REALITIES OF FAMILIES

In 2014 the US Census 5 year estimate finds that

≈18,000 CHILDREN UNDER 6 YEARS OF AGE IN ALAMEDA COUNTY LIVE BELOW THE FEDERAL POVERTY LEVEL. ¹⁰

≈16% (1 in 7) OF ALL CHILDREN UNDER THE AGE OF 6.

The Gaps

2014 CA-ALAMEDA COUNTY SELF-SUFFICIENCY STANDARD: ¹¹
The amount of income families need to meet basic needs

\$81,726 2 ADULTS AND 2 PRESCHOOLERS

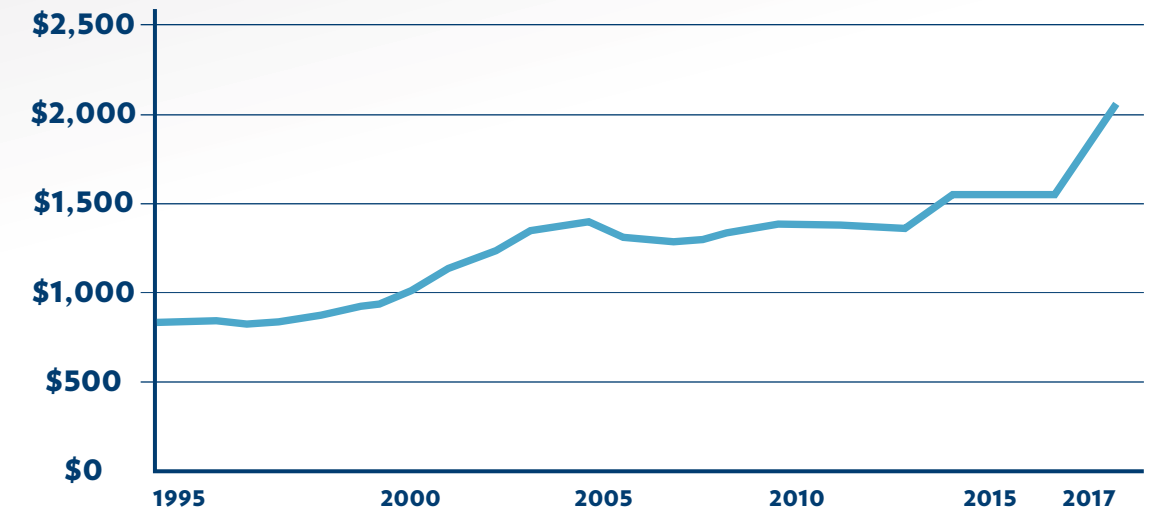


\$24,300 ¹² 2016 FEDERAL POVERTY LEVEL FOR A FAMILY OF 4

\$41,600 ¹³ 2 FULL TIME WORKERS AT 2016 CA MINIMUM WAGE

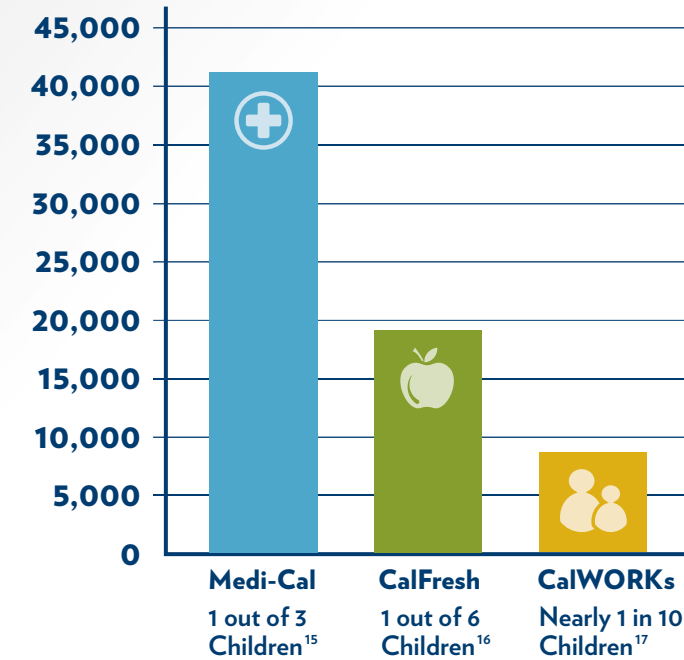
FINANCIAL REALITIES OF FAMILIES CONTINUED

Fair Market Rent for 2-Bedroom in Alameda County ¹⁴



Public Benefits Enrollment

NUMBER OF CHILDREN 0-6 RECEIVING BENEFITS IN ALAMEDA COUNTY JULY 2016
115,012 total



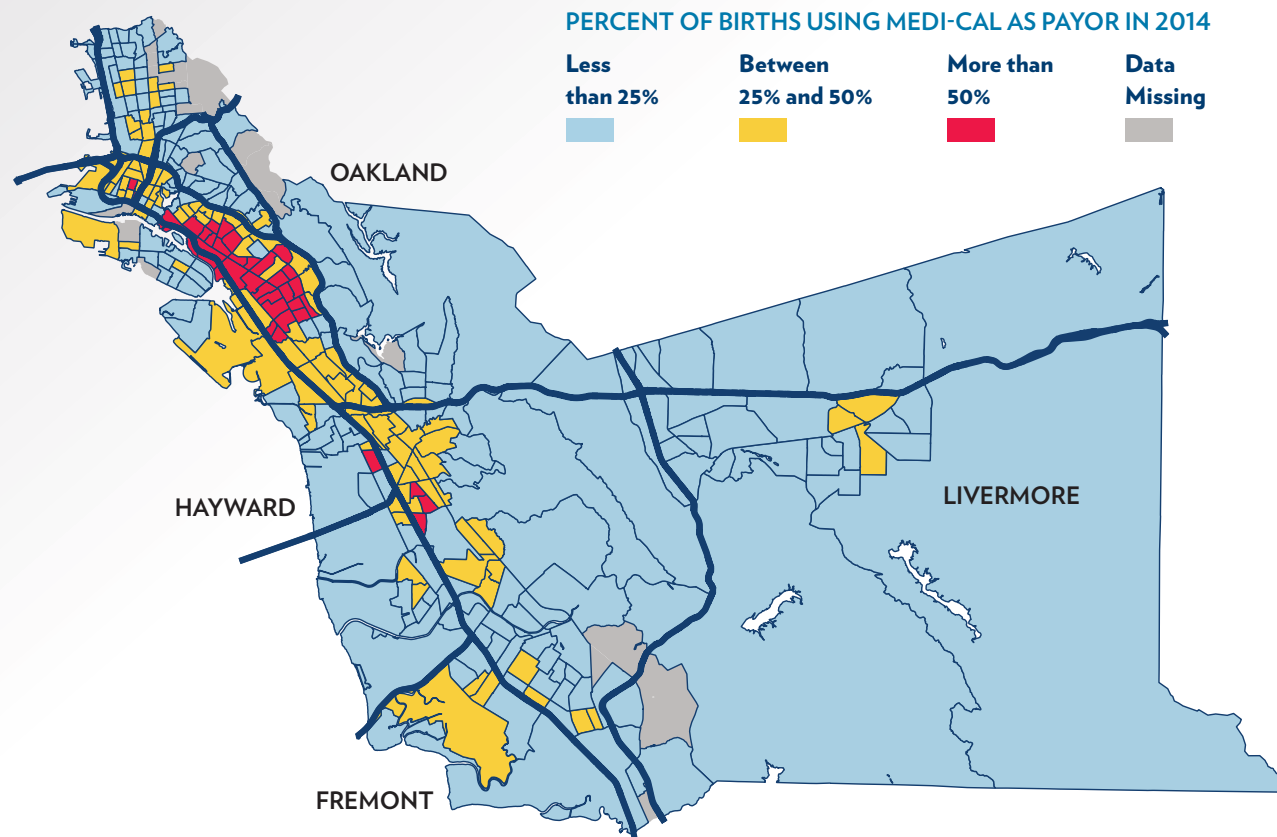
Number of Children 0-4 Eligible for Subsidized Childcare ¹⁸

21,151 DEMAND

9,592 SUPPLY **11,559** GAP

COUNTY BIRTHS¹⁹

Children Born Into Families With Low Incomes
ALAMEDA COUNTY 2014



Total Births in 2014	19,600
Births that use Medi-Cal as payor	5,070 26%
Babies born with low birth weights	1,668 9%
Babies born to teen-aged mothers	569 3%
Average age of mother	31 years old

Over the Last Five Years:

- 52% decline in births to teen-aged mothers
- 20% decline in births to mothers younger than 30
- 11% increase in births to mothers older than 30

RACE/ETHNICITY OF MOTHERS WHO GAVE BIRTH IN 2014

ALAMEDA COUNTY 2014

MOTHER'S RACE OR ETHNICITY	PERCENT OF ALL BIRTHS	PERCENT OF MOTHERS BY RACE OR ETHNICITY WHO HAVE LOW BIRTH WEIGHT BABIES
African-American	10%	11%
American Indian and Alaska Native	0%	4%
Asian/Pacific Islander	33%	8%
Hispanic/Latino	33%	7%
White	24%	4%
Withheld	1%	5%

NOTE Race and ethnicity does not identify where mother reports multiple races. Hispanic/Latina ethnicity is considered a race for purpose of this table.

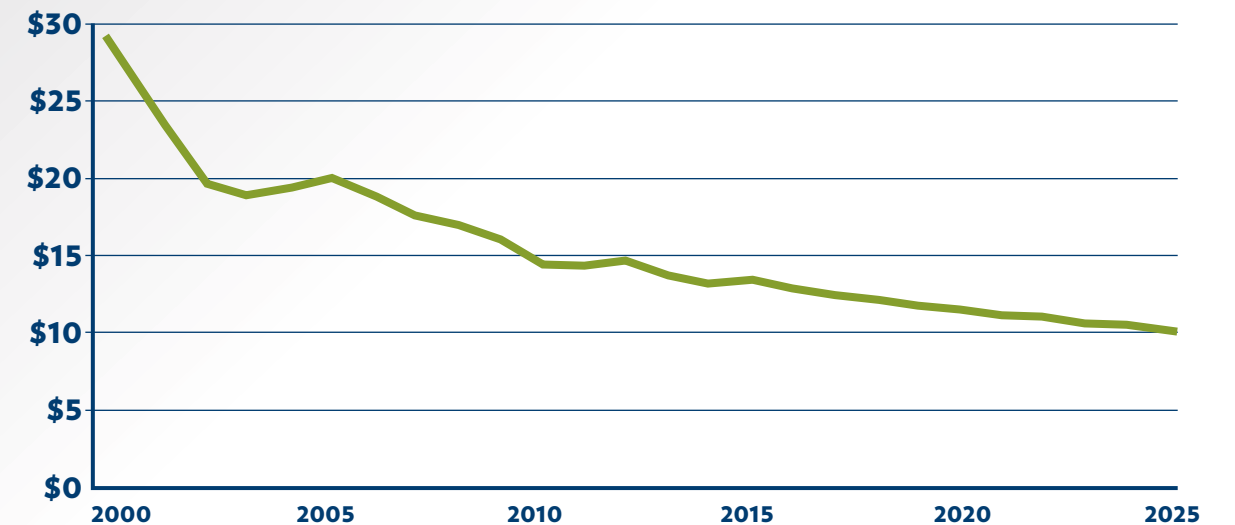
Sustainability Plan

The sustainability of systems and supports provided through First 5 Alameda County (F5AC) investments for the wellbeing of children and families in Alameda County is a priority. Future annual allocations are expected to continue to decline at an annual rate of three percent. To date, the F5AC commission has managed declining fiscal resources through the establishment and use of a sustainability fund, leveraging of federal and state dollars, and foundation funding. A financial chart, included below, illustrates the Prop 10 fiscal landscape since 2000 and projections for the next 10 years. In this strategic plan, F5AC is starting with an annual Prop 10 allocation of \$12.1 million, which is expected to decline to \$10 million by 2025.

Given our fiscal reality, in this strategic plan we reduced funding for some direct services operated and funded by F5AC. The reduced revenue forecast also gave us an opportunity to assess investment approaches and impact given our resource constraints. As a result we are choosing to enhance our policy and system change capacity, while also evolving our approach to family and child programming in an effort to more effectively address the complex needs of children and families living in poverty. Keeping with our vision, the latter will allow us to further invest in a broad range of parent engagement and support strategies led by parents and community members. In that spirit, we are building investments in new areas (e.g. Neighborhoods Ready for School, Policy and Evaluation, Parent Engagement/Parent Support).

F5AC will continue to work with other county leaders and partners to proactively pursue new opportunities to obtain or leverage resources that support the early childhood system in Alameda County. These resources may fund F5AC or other partners, which would help institutionalize early childhood programs among community agencies.

First 5 Alameda County Prop 10 Tobacco Tax Revenue (Millions) – History and Projections



Planning Process

This strategic plan is a blueprint that First 5 Alameda County (F5AC) will use to develop a detailed implementation plan. The planning process was completed using Results Based Accountability (RBA). RBA is a widely accepted and practiced method to plan and measure the effectiveness and impact of programs, service systems, and population-level interventions. RBA is simple, concrete, and creates a common language so that everyone can contribute. RBA is powerful because it starts with the “ends”, the result or goal we wish to achieve, and works backwards towards the “means”.

THE PLAN WAS DEVELOPED THROUGH A COMPREHENSIVE 10 MONTH PARTICIPATORY PROCESS THAT ENGAGED:

- **Community partners and stakeholders**

- + F5AC sent a survey to over 2,200 community partners, and received over 400 responses.
- + F5AC conducted over 20 in-depth interviews with policy leaders to identify needs in the community

- **F5AC Commissioners**

- **F5AC staff, supervisors, managers and leadership**

- **Parents**

- + Three parent focus groups were conducted:
 - ° Help Me Grow Parent Advisory Committee members
 - ° Alameda County Early Childhood Policy Committee parent leaders
 - ° Fathers Corps providers/fathers

We also leveraged the research and data of public systems partners and elected officials, and incorporated learning from F5AC’s own evaluations and data. A data development and measurement plan will monitor the performance of F5AC investments to ensure accountability and achievement of goals.

TOP THEMES ACROSS STAKEHOLDER INPUT²⁰

- Access to childcare/ cost of quality childcare
- Lack of affordable housing/ high cost of living /financial stress
- Access to more peer support, leadership and engagement opportunities
- Access to resources about early childhood development and school readiness

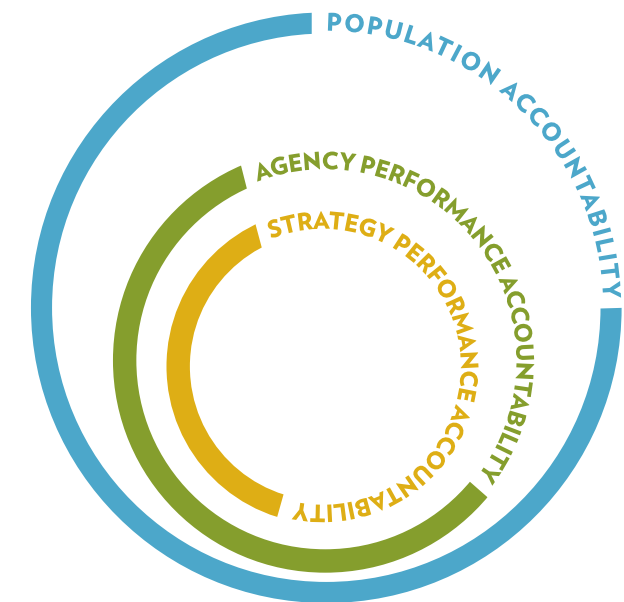
For a full summary of stakeholder feedback, see www.first5alameda.org

Measuring Success

First 5 Alameda County (F5AC) has a responsibility to all children 0-5 and their families in Alameda County. Many of our efforts are universal, such as improving the systems that serve children and families, something done with collaborative partners. With limited Prop 10 dollars, we need to distinguish our accountability to the children and families we directly touch through our programs and investments from that of the entire county’s early childhood population. Results Based Accountability helps us to see how F5AC programs and funded partners all contribute to the population-level goals:

RESULTS BASED ACCOUNTABILITY

helps us separate **POPULATION ACCOUNTABILITY**, the wellbeing of whole populations, from Performance Accountability, the wellbeing of client populations for programs, agencies, and service systems. At F5AC, we distinguished **AGENCY** performance accountability and **STRATEGY** performance accountability.



RBA METHOD FOR IDENTIFYING PERFORMANCE MEASURES

All performance measures fall in to three categories:

- How much do we do?
- How well do we do it?
- Is anyone better off?

Performance measures were then refined and prioritized:

Headline Measures are the most important measures for which we currently have good data.

Data Development Agenda are the important measures for which we need to obtain good data.

Population-Level Impact

CHILDREN ARE READY FOR KINDERGARTEN, AND CAN LATER ACHIEVE SUCCESS IN THE THIRD GRADE.

WE MEASURE THE SUCCESS OF THIS COUNTY WIDE EFFORT WITH THE FOLLOWING POPULATION-LEVEL BASELINE INDICATOR:

In 2015, 44% of children at 47 schools across Alameda County were fully ready for kindergarten.²¹

STORY BEHIND THE DATA

Kindergarten readiness is a predictor of long-term health and wellbeing outcomes, as well as higher education attainment and economic stability. Being ready for kindergarten is more than knowing letters and numbers. It is comprised of readiness in all 4 Building Blocks: 1) Kindergarten Academics (letters, numbers, shapes), 2) Self-Regulation (follows directions, plays cooperatively), 3) Social Expression (expresses empathy, needs, curiosity), 4) Motor Skills (coordination and fine motor skills like use of a pencil).²²

The 2015 School Readiness Assessment, funded and supported by F5AC in partnership with the Alameda County Interagency Children’s Policy Council and Applied Survey Research (ASR), revealed that access to preschool or early education experiences, parent engagement, family socioeconomic status, health and adequate nutrition, and stable housing are all factors that contribute to kindergarten readiness. The report also showed that boys, African American and Latino children, children with special needs and English Learner families are less likely than their peers to be ready for kindergarten. F5AC is committed to preparing systems to better serve these children, their families, and their neighborhoods in an effort to “turn the curve” on kindergarten readiness in our County.



PARTNERS WHO HAVE A ROLE TO PLAY IN OUR POPULATION LEVEL EFFORTS:

- Businesses and Financial Institutions
- Community Based Organizations
- Child Care Providers and Settings
- Cultural Institutions
- Faith Based Organizations
- Families/Caregivers
- Family, Friend and Neighbor care
- Foundations/Funders
- Medical Field
- Neighborhood Partners
- Policy Makers
- Public Safety
- Public Systems (City and County)
- School Districts



Population-Level Impact

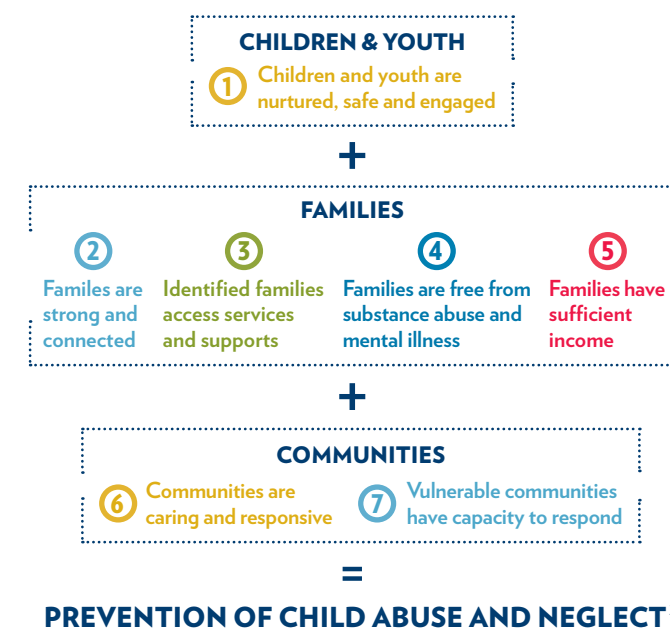
CHILDREN ARE FREE FROM ABUSE AND NEGLECT.

WE MEASURE THE SUCCESS OF THESE COUNTY-WIDE EFFORTS WITH THE FOLLOWING POPULATION-LEVEL BASELINE INDICATOR

In 2015, the incidence of substantiated allegations of abuse and neglect per 1000 children 0-5 in Alameda County is 3.8; the incidence of allegations is 29.4²⁴

STORY BEHIND THE DATA

Scientific breakthroughs in the past 15 years have deepened our understanding of the negative long-term effects of toxic stress, such as abuse, neglect, exposure to violence, and the accumulated burdens of family economic hardship on a child’s developing brain and body.²⁵ This is supported by data on a national level that shows children with a family income below 75% of the official poverty level are at greater risk of maltreatment than children from families with higher incomes.²⁶ Within Alameda County, children ages 0-5 whose births were covered by public insurance were at a greater risk of substantiations of child abuse and neglect than those whose births were paid for by private insurance.²⁷ This reality is compounded by the fact that abuse and neglect rates for children ages 0-1 are much higher in Alameda County than for older children (8.6 out of 1000 substantiated cases of abuse/neglect, and 36.9 out of 1000 allegations).²⁸ For these reasons, we must continue to evolve the early childhood system of care to support new or expectant parents by assisting them with basic needs, knowledge of child development and social connections.



TO “TURN THE CURVE” ON OUR POPULATION RESULTS, F5AC PARTICIPATES IN THE FOLLOWING EXISTING COLLABORATIVES:

- Alameda County Birth to Eight Initiative
- Alameda County Committee on Children with Special Needs
- Alameda County Early Childhood Policy Committee
- Alameda County Fathers Corp*
- Alameda County Home Visiting Program
- Alameda County Interagency Children’s Policy Council
- Alameda County Public Health Department Building Blocks Collaborative
- Alameda County Touchpoints Collaborative*
- Alameda County Trauma Informed Care Collaborative
- All-In Alameda County
- Bay Area Quality Early Learning Partnership
- Byrne Criminal Justice Innovation Grant
- CA-QRIS State Consortium
- Castlemont Prenatal to 8 Collective Impact Initiative
- Center for the Study of Social Policy’s EC LINC Project
- Deputy Sheriff’s Activities League
- Early Childhood Mental Health Community Meeting
- First 5 State Association
- Havenscourt Healthy Community Collaborative
- Hayward Promise Neighborhood
- Help Me Grow Alameda County*
- Help Me Grow California
- Help Me Grow National Network
- Learning Communities* (Shelter Learning, Strengthening Families, Early Childhood Mental Health Consultation, Neighborhood Partnership)
- My Brother’s Keeper
- Oakland Achieves Partnership
- Oakland Joint Power Authority
- Oakland Promise/Brilliant Baby
- Oakland Reads
- Oakland Starting Smart and Strong
- Oakland Thrives Leadership Council
- Oakland-Alameda County Alliance for Boys and Men of Color
- Quality Counts*
- Talking is Teaching: Talk Read Sing
- Union City Kid’s Zone

*indicates a collaborative that F5AC leads

Agency-Level Results

Our Agency-Level Results and Headline Measures articulate First 5 Alameda County’s unique role and responsibility. They serve as our guideposts for what we want to achieve, how we will measure our progress, and continuously improve upon our efforts. We are using existing data as a proxy for each Headline Measure. We will refine and develop data collection methods that will allow us to gauge our success.

AGENCY RESULT 1: F5AC programs and investments support and strengthen parents/primary caregivers, families, and neighborhoods to create environments and relationships where children thrive.

HEADLINE MEASURE 1: % of Families touched by F5AC programs and investments who have what they need to support their child’s growth and wellbeing

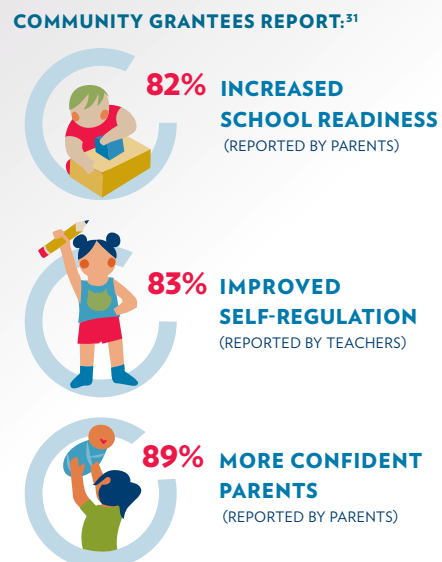
We know that addressing the needs of parents and caretakers improves children’s outcomes; paying particular attention to populations or neighborhoods experiencing long-term disinvestment can have a big impact on the wellbeing of families.



AGENCY RESULT 2: F5AC programs and investments increase access and opportunity, particularly for children living in poverty, to quality early experiences that prepare children for school and help them reach their optimal developmental outcomes.

HEADLINE MEASURE 2: % of children touched by F5AC programs and investments ready for kindergarten

We know that there are deep disparities in readiness stemming from poverty, systemic racism and disinvestment manifesting in unequal opportunities for early learning and development that prepare children for school. Our work is to address those inequities and disparities by giving children, particularly those living in poverty, early life experiences that set them on a trajectory for success, and supporting conditions where they can thrive.



HEADLINE MEASURE 3: % of children with concerns touched by F5AC programs and investments who demonstrate better health and development outcomes

We know that early intervention can make a world of difference. We also know that a child’s overall wellbeing can impact their development, and thus we are using a broad definition of concern to include hunger, housing insecurity, and exposure to violence, among other risk factors.



AGENCY RESULT 3: F5AC programs, investments, and policy advocacy support a system of care that is coordinated, accessible, and responsive, delivered by knowledgeable and caring providers.

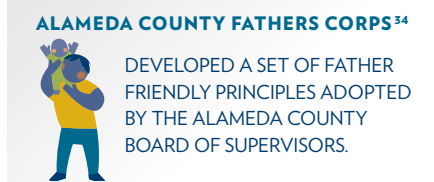
HEADLINE MEASURE 4: % of providers that increase their capacity to deliver best or promising practices

We know that cultivating an early childhood workforce of providers who represent the communities they serve will strengthen the overall field. F5AC is committed to capacity building and creating space for professional development so that providers have the knowledge, tools, and support to deliver the utmost in quality.



HEADLINE MEASURE 5: # of local policy and administrative changes made to support early childhood via First 5 programs and investments

Prop 10 resources are limited to meet the needs of children and families in our community. Therefore, we are committed to ensuring that existing resources are directed to programs and investments that have the greatest impact, addressing systems barriers for families, and increasing funding for early childhood.



PROGRAMS AND INVESTMENTS

PARENT ENGAGEMENT / PARENT SUPPORT



Provide a continuum of parent engagement and supports in line with Strengthening Families Protective factors, and inclusive of parent leadership. This includes outreach and support of Alameda County Public Health Department's home visiting programs, and referrals to other programs and services for families.

Prop 10 Investments	2017/18	2018/19	2019/20	2020/21	2021/22
	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000

EARLY IDENTIFICATION



Support parents and caregivers in accessing resources that will improve their child's development. Increase parent and provider knowledge of child development.

Prop 10 Investments	2017/18	2018/19	2019/20	2020/21	2021/22
	\$1,300,000	\$1,300,000	\$1,300,000	\$1,300,000	\$1,300,000

QUALITY EARLY CHILDHOOD EDUCATION



Build the capacity of providers and childcare sites through rating, coaching and professional development to increase the quality of early childhood education programs. Provide information for consumers about childcare quality.

Prop 10 Investments	2017/18	2018/19	2019/20	2020/21	2021/22
	\$2,000,000	\$2,000,000	\$1,500,000	\$1,500,000	\$1,500,000

FATHERHOOD



Incorporate Father Friendly Principles into all programs, and F5AC's policy platform. Collaborate with public systems to improve the experiences and representation of men and fathers. This strategy is a "through line" and will be highlighted in all our strategies.

Prop 10 Investments	2017/18	2018/19	2019/20	2020/21	2021/22
	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000

NEIGHBORHOODS READY FOR SCHOOL



Investment in neighborhoods with the highest need in service of families and community. The intention is not to "adopt" specific neighborhoods, but rather to support neighborhood-based, resident-led strategies, and link with other neighborhood efforts.

Prop 10 Investments	2017/18	2018/19	2019/20	2020/21	2021/22
	\$2,500,000	\$2,500,000	\$3,500,000	\$3,500,000	\$3,500,000

INNOVATION



Broaden the landscape of early childhood support with new partners, and seed program or systems connectivity as proof of concept for policy change and/or sustained funding.

Prop 10 Investments	2017/18	2018/19	2019/20	2020/21	2021/22
	\$500,000	\$500,000	\$200,000	\$200,000	\$200,000

CAPACITY BUILDING AND SUSTAINABILITY

POLICY, PLANNING, AND EVALUATION



Focus on local policy and systems change in order to bring proven programs and practices to scale. Support an early childhood system of care that is a network of coordinated and responsive organizations that improve outcomes for children age 0-5.

Prop 10 Investments	2017/18	2018/19	2019/20	2020/21	2021/22
	\$2,100,000	\$2,100,000	\$2,100,000	\$2,100,000	\$2,100,000

TRAINING AND CAPACITY BUILDING



Continue to serve as a "go to" staff training resource for community partners for topics relevant to supporting families with children ages 0-5. Develop trainings that complement F5AC priorities.

Prop 10 Investments	2017/18	2018/19	2019/20	2020/21	2021/22
	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000

COMMUNICATIONS



Develop campaign strategies that align with F5AC priorities.

Prop 10 Investments	2017/18	2018/19	2019/20	2020/21	2021/22
	\$350,000	\$350,000	\$400,000	\$400,000	\$400,000

ADMINISTRATION, INFORMATION & TECHNOLOGY



Upgrade technology to support staff and partner business functions, data tracking and performance management. Efficiently and effectively manage F5AC resources (financial, human and technology to enhance productivity and impact.)

Prop 10 Investments	2017/18	2018/19	2019/20	2020/21	2021/22
	\$3,000,000	\$3,000,000	\$3,200,000	\$3,200,000	\$3,200,000

COVID-19 COMMUNITY RESILIENCE FUND



Provide resources in partnership with public agencies, philanthropy, community leaders, and families, in support of a countywide response to COVID-19.

Prop 10 Investments	2019/20	2020/21
	\$1,000,000	\$2,000,000

How We Will Achieve Our Agency Results

Our strategies were selected based on what we know about best practices, community, and staff input. They are the levers to achieve our agency level results. We are committed to coordinating and connecting strategies across our agency to increase impact and efficiently use our resources.

PROGRAMS AND INVESTMENTS



PARENT ENGAGEMENT AND SUPPORT

Provide a continuum of parent engagement and supports in line with Strengthening Families Protective Factors, and inclusive of parent leadership. Provide outreach for Alameda County Public Health Department's home visiting programs, and referrals to other programs and supports for families.

APPROACH

- Continue support of Alameda County Department of Public Health in home visiting outreach efforts.
- Explore options to support linkage and navigation to community supports upon discharge from intensive home visiting programs.
- Engage in a cross agency effort to identify ways to more efficiently and effectively outreach to parents.
- Provide or invest in early childhood education and training programs for parents.
- Invest in parent engagement and leadership opportunities, particularly in disinvested neighborhoods.



Priority Strategy Performance Measure(s)

The following measures will be used to measure the success of Parent Engagement and Support, and aggregate to our broader Agency Headline Measures.

- % of families who have what they need to support their child's growth and wellbeing
- % of children ready for kindergarten*

Additional measures that Parent Engagement and Support may use to tell the story of performance:

- ▶ # of families enrolled in home visiting through direct outreach
- ▶ % of children reached through new referral partners
- ▶ % of agencies that adopt and implement parent engagement principles
- ▶ % of parents who report being supported and respected
- ▶ % of participants who successfully enrolled in at least one support program (including public benefits) *
- ▶ # of parents with leadership and advocacy skills and the opportunities to use them*
- ▶ % of children with concerns touched by F5AC programs and investments who demonstrate better health and development outcomes*

*indicates Data Development Agenda item



EARLY IDENTIFICATION

Support parents and caregivers in accessing resources that will improve their child's development. Increase parent and provider knowledge of child development.

APPROACH

- Engage in a cross-agency effort to increase outreach to targeted populations.
- Increase early identification of concerns that impact children's development and school readiness.
- Support parents and caregivers in accessing resources, and increase parent knowledge of child development.
- Broaden the scope of screening and linkage to include factors other than developmental and socioemotional, including basic needs.
- Work with partners and policy makers to improve the effectiveness of referrals and transitions.
- Engage in evaluation efforts to determine whether families are "better off" as a result of F5AC's investment in this strategy.
- Plan for the sustainability of Early Identification (Early ID) and Help Me Grow.



Priority Strategy Performance Measure(s)

The following measures will be used to measure the success of Early ID, and aggregate to our broader Agency Headline Measures.

- % of families who have what they need to support their child's growth and wellbeing*
- % of children served by Help Me Grow who have developmental improvements*
- % of providers sustaining Early ID efforts without funded Technical Assistance

Additional measures that Early ID may use to tell the story of performance:

- ▶ % of providers with increased ability to support families with their child development concerns*
- ▶ % of families linked to services by Help Me Grow
- ▶ % of families who would recommend Help Me Grow
- ▶ % of providers with increased ability to connect or refer children and families to HMG services
- ▶ % of children with concerns touched by F5AC programs and investments who demonstrate better health and development outcomes*

*indicates a Data Development Agenda item



QUALITY EARLY CARE AND EDUCATION (ECE)

Build the capacity of providers and childcare sites through rating, coaching and professional development to increase the quality of early childhood education programs. Provide information for consumers about childcare quality.

APPROACH

- Provide core infrastructure support to the Quality Rating and Improvement System (QRIS).
- Ensure that service commitments to IMPACT (First 5 California funding) and the California State Preschool Program (CSPP) Block Grant are fulfilled, and that the county maintains readiness for additional funding opportunities.
- Develop “lighter touch” quality improvement models including focusing efforts on family child care cohorts and using the (Center on the Social Emotional Foundations in Early Learning) CSEFEL.
- Pursue balance between a relationship-based, client-driven best practice coaching model and a service package that is affordable and sustainable.



Priority Strategy Performance Measure(s)

The following measures will be used to measure the success of Quality ECE, and aggregate to our broader Agency Headline Measures.

- % of programs with improved teacher/child interactions or ECE environments
- % of children ready for kindergarten*

Additional measures that Quality ECE may use to tell the story of performance:

- ▶ % of providers who report they received what they needed to improve their practice*
- ▶ % of sites that remain high quality over time
- ▶ # of children expelled *
- ▶ % of sites that move from low quality to high quality

*indicates Data Development Agenda item



FATHERHOOD

Incorporate fatherhood and Father Friendly Principles into all programs, and F5AC’s policy platform. Collaborate with public systems to improve the experiences and representation of men and fathers. This strategy is a “through line” and will be highlighted in all our strategies.

APPROACH

- Sustain role as a convener and capacity builder for the Alameda County Father’s Corps in partnership with Alameda County Health Care Services Agency and Alameda County Social Services Agency.
- Expand to provide broad capacity building support for public agency partners and community based organizations.
- Develop a coordinated Fatherhood County Plan that aligns with the efforts of Boys and Men of Color (BMOC), My Brother’s Keeper (MBK) and other collaborations.
- Create a Fatherhood Policy Platform that links to the broader F5AC policy platform.



Priority Strategy Performance Measure(s)

The following measures will be used to measure the success of Fatherhood, and aggregate to our broader Agency Headline Measures.

- # of school boards, city councils, or other public and community based entities engaged by F5AC who have implemented components of the fatherhood policy platform
- % of fathers who have what they need to support their child’s growth and wellbeing*

Additional measures that Fatherhood may use to tell the story of performance:

- ▶ # of new father-specific services or programs
- ▶ % of agencies improving their relationships and engagement with fathers
- ▶ % of fathers reporting increased engagement with their children*
- ▶ % increase in men employed at F5 and by partners*

*indicates Data Development Agenda item



NEIGHBORHOODS READY FOR SCHOOL

Investment in neighborhoods with the highest need in service of families and community. The intention is not to “adopt” specific neighborhoods, but rather to support neighborhood-based, resident-led strategies, and link with other neighborhood efforts.

APPROACH

- Promote and strengthen individual, family and neighborhood protective factors through increasing social connections, community capacity building and access to needed services.
- Establish partners for this strategy through a Request for Proposals process with capacity building provided to small organizations.
- Develop funding strategies which may include:
 - + Capital Investment
 - + Outreach and Engagement
 - + Coordination and Service Integration
 - + Family, Friend and Neighbor Supports
- Determine the funding eligibility requirements for organizations and neighborhoods

Priority Strategy Performance Measure(s)

The following measures will be used to measure the success of Neighborhoods Ready for School, and aggregate to our broader Agency Headline Measures.

- % of children who are ready or on track for kindergarten within a neighborhood*
- % of families who report they have what they need to support their child’s growth and wellbeing*

Additional measures that Neighborhoods Ready for School may use to tell the story of performance:

- ▶ % of providers who report being better able to serve families with children 0-5
- ▶ # of parents/caregivers with leadership and advocacy skills and the opportunities to use them
- ▶ % of parents/caregivers enrolled in at least one support program or service
- ▶ % of parents/caregivers who improve their financial wellbeing
- ▶ % of children with concerns touched by F5AC programs and investments who demonstrate better health and development outcomes*

*indicates Data Development Agenda item



INNOVATION

Broaden the landscape of early childhood support with new partners, and seed program or systems connectivity as proof of concept for policy change and/or sustained funding.

APPROACH

- Develop new relationships with organizations, businesses and public agencies not typically considered part of the early childhood community with the intention of developing new and innovative ideas to address the needs of families with young children.
- Encourage and support new and innovative ideas with temporary seed funding.
- Ensure that new ideas and concepts are tracked with appropriate levels of data collection and evaluation to determine their ability to be sustained and replicated.
- Develop sustainability plans for programs showing positive results.

Priority Strategy Performance Measure(s)

The following measures will be used to measure the success of Innovation, and aggregate to our broader Agency Headline Measures.

- ▶ % of new partners who commit to working on 0-5 issues
- ▶ % of innovations replicated by F5 and providers
- ▶ % of innovation efforts that contribute to/expand our understanding/knowledge of the EC field*

*indicates Data Development Agenda item



CAPACITY BUILDING & SUSTAINABILITY



POLICY, PLANNING, AND EVALUATION

Focus on local policy and systems change in order to bring proven programs and practices to scale. Support an early childhood system of care that is a network of coordinated and responsive organizations that improve outcomes for children age 0–5. The policy approach will include an evaluation plan and a clear and consistent communications effort.

APPROACH

- Develop a local policy agenda aligned with F5AC programs and priorities around the following issues:
 - + School Readiness
 - + Child Development
 - + Family Supports
 - + Child Friendly Neighborhoods
- Work with school boards, city councils, public systems, philanthropy, faith based organizations, non-profits, and businesses to further the local policy agenda and leverage additional resources.
- Partner with parents, neighborhood associations, and base building organizations as allies in policy change.
- Partner with the First 5 Association on State and Federal legislative efforts to align with local agenda.
- Develop data sharing partnerships with other agencies.

Priority Strategy Performance Measure(s)

The following measures will be used to measure the success of Policy and Evaluation, and aggregate to our broader Agency Headline Measures.

- # of public agencies with increased investments in school readiness
- # of agencies that make administrative, policy, and practice changes consistent with First 5’s policy priorities

Additional measures that Policy and Evaluation may use to tell the story of performance:

- ▶ # of partners working with F5AC on policy and systems change
- ▶ # of evaluations and data analysis contributing to policy change and informing practice*
- ▶ # of new external dollars invested in F5AC programs, priorities & strategies across systems*
- ▶ % of internal First 5 staff using tools from Results Based Accountability

*indicates Data Development Agenda item



TRAINING & CAPACITY BUILDING

Continue to serve as a “go to” training resource for community partners for topics relevant to supporting families with children ages 0-5. Develop trainings, offer technical assistance, and build capacity around content and process that complements F5AC priorities.

APPROACH

- Develop a plan that includes integration with other F5AC programs and strategies that includes:
 - + Learning Communities
 - + Workforce Development
 - + Parenting
 - + Capacity building for the Neighborhoods Ready for School and Parent Engagement/ Support strategies
 - + Core trainings for the early childhood field
- Take Training “on the road” to community based organizations and public agencies.

Priority Strategy Performance Measure(s)

The following measures will be used to measure the success of Training, and aggregate to our broader Agency Headline Measures.

- % of participants that report an increase in skills and knowledge that enable them to deliver best or promising practices
- % of participants who implement best or promising practices as a result of training*

Additional measures that Training may use to tell the story of performance:

- ▶ # of participants by demographic (race, gender, neighborhood, sector, etc.)*
- ▶ % of participants who report their learning goals were met
- ▶ % of participants reporting an increase in knowledge of community resources
- ▶ % of attendees who increase their expertise and career opportunities as a result of training*
- ▶ % of staff and partners who rate internal service delivery as high*

*indicates Data Development Agenda item





COMMUNICATIONS

Develop communications campaign strategies that align with F5AC priorities.

APPROACH

- Develop a communications plan that is aligned with F5 programs and strategies, especially highlighting our policy agenda and evaluation results.
- Participate in larger communication campaigns that further our message with collaborative partners, First 5 Alameda County Association and others when appropriate.



Priority Strategy Performance Measure(s)

The following measures will be used to measure the success of Communications, and aggregate to our broader Agency Headline Measures.

- % of target audience that took action as a result of communication efforts*

Additional measures that Communications may use to tell the story of performance:

- ▶ # of evaluations and data analysis contributing to policy change and informing practice*
- ▶ #/% of website visitors reporting they found the information they needed*
- ▶ % of staff and partners who rate internal service delivery as high*
- ▶ % of target audience that increased knowledge as a result of communication efforts*

*indicates Data Development Agenda item



ADMINISTRATION, INFORMATION & TECHNOLOGY

Upgrade technology to support staff and partner business functions, data tracking and performance management. Efficiently and effectively manage F5AC resources (financial, human and technology) to enhance productivity and impact.

APPROACH

- Expand and update systems to build capacity for cross data systems exchange of information.
- Expand data system agility and responsiveness.
- Improve staff and partner performance, satisfaction and productivity.
- Update electronic data sharing confidentiality and privacy practices.



Priority Strategy Performance Measure(s) The following measures will be used to measure the success of Administration, Information & Technology, and aggregate to our broader Agency Headline Measures.

- F5AC effectively and responsibly manages finances in order to fulfill the strategic plan goals

Additional measures that Administration, Information & Technology may use to tell the story of performance:

- ▶ % of F5AC staff who attend professional development trainings
- ▶ Staff retention rate*
- ▶ % of F5AC staff and partners who rate data systems as effective
- ▶ % of staff and partners who rate internal service delivery as high*

*indicates Data Development Agenda item

Fitting It all Together

POPULATION LEVEL RESULTS AND INDICATORS

1) CHILDREN ARE READY FOR KINDERGARTEN – 3RD GRADE SUCCESS

Indicator: In 2015, 44 % of children at 47 schools across Alameda County were fully ready for kindergarten

2) CHILDREN ARE FREE FROM ABUSE AND NEGLECT

Indicator: In 2015, the incidence of substantiated allegations of abuse and neglect per 1000 children 0-5 in Alameda County is 3.8; the incidence of allegations is 29.4

AGENCY LEVEL RESULTS AND HEADLINE MEASURES

AGENCY LEVEL RESULT #1:

F5AC programs and investments support and strengthen parents/primary caregivers, families, and neighborhoods to create environments and relationships where children thrive.

HEADLINE MEASURE 1:

% families touched by F5AC programs and investments who have what they need to support their child's growth and wellbeing

AGENCY LEVEL RESULT #2:

F5AC programs and investments increase access and opportunity, particularly for children living in poverty, to quality early experiences that prepare children for school and help them reach their optimal developmental outcomes.

HEADLINE MEASURE #2:

% of children touched by F5AC programs and investments ready for kindergarten

HEADLINE MEASURE #3:

% of children with concerns touched by F5AC programs and investments who demonstrate better health and development outcomes*

AGENCY LEVEL RESULT #3:

F5AC programs, investments, and policy advocacy support a system of care that is coordinated, accessible, and responsive, delivered by knowledgeable and caring providers.

HEADLINE MEASURE #4:

% of providers that increase their capacity to deliver best or promising practices

HEADLINE MEASURE #5:

of local policy and administrative changes made to support early childhood

STRATEGIES AND PERFORMANCE MEASURES

PARENT ENGAGEMENT AND SUPPORT

% of children ready for kindergarten
% of families who have what they need to support their child's growth and well being

EARLY IDENTIFICATION

% of families who have what they need to support their child's growth and well being
% of children who have developmental improvements
% of providers sustaining Early ID efforts without funded Technical Assistance

QUALITY EARLY CARE AND EDUCATION

% of programs with improved teacher/child interactions or ECE environments
% of children ready for kindergarten

FATHERHOOD

of school boards, city councils, or other public and community based entities engaged by F5AC who have implemented components of the fatherhood policy platform
% of fathers who have what they need to support their child's growth and well being

NEIGHBORHOODS READY FOR SCHOOL

% of children who are ready or on track for kindergarten within a neighborhood*
% of families who have what they need to support their child's growth and well being

INNOVATION

% of new partners who commit to working on 0-5 issues
% of innovations replicated by F5 and providers
% of innovation efforts that contribute to/expand our understanding/knowledge of the EC field*

POLICY, PLANNING, AND EVALUATION

of public agencies that increased investments in school readiness
of agencies that make administrative, policy, and practice changes consistent with First 5's policy priorities

TRAINING AND CAPACITY BUILDING

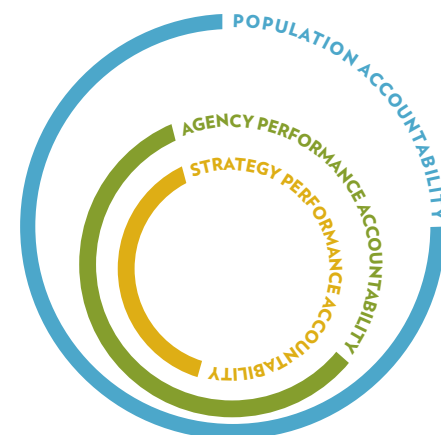
% of participants reporting an increase in skills and knowledge enabling them to deliver best or promising practices
% of participants who implement best or promising practices as a result of training

COMMUNICATIONS

% of target audience that took action as a result of communication efforts*

ADMINISTRATION, INFORMATION AND TECHNOLOGY

Effectively and responsibly manages finances in order to fulfill the strategic plan goals.



Data for Impact and Improvement

F5AC followed a Results Based Accountability process to identify performance measures that will help us gauge the success of our work. We were intentional in our selection of measures, have identified data sources, and are making new investment in technology. We intend to use RBA and technology tools to help us continuously measure and improve our performance. We also plan to use long-term and short-term evaluation to better understand the impacts of F5AC programs and investments, and support a policy agenda that moves towards a collective impact frame county-wide.

USING DATA TO ADVANCE EQUITY

As part of our commitment to equity, we plan to develop a standard practice and accompanying tools to look at all of our performance measures in terms of how they impact populations and places in our county that have seen the most disinvestment. This might include sorting and analyzing our performance data to ensure equitable investment and outcomes, inclusive of but not exhaustive to:

- Boys and men of color
- Racial and ethnic groups that experience disparities (e.g., African American, Latino, Asian and Pacific Islander)
- Residents of low-income neighborhoods throughout the county
- Different family types (e.g., single parents, fathers, grandparents, same-sex parents)

DATA DEVELOPMENT AGENDA

Where we do not currently have good data, we intend to invest in capturing information that is critical to our success. Certain elements will require minor resources and will be measurable in a short time frame; others will require a more intensive long-term investment. As part of our implementation plan, we will develop a detailed data development agenda.

DATA DEVELOPMENT AGENDA:

In Results Based Accountability the Data Development Agenda is a plan for collecting new or better data needed to monitor and communicate performance.

NEXT STEPS FOR IMPLEMENTATION

In order to operationalize the strategic plan, F5AC will develop an implementation plan with timelines, responsibilities and internal deliverables. This will include analysis of, and planning for:

- Organizational structure and staffing changes
- Contracting and procurement changes
- Program design and delivery
- Data and technology systems
- Data development agenda

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FIRST 5



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Date: June 18, 2020
To: First 5 Alameda County Commission
From: Kristin Spanos, CEO, First 5 Alameda County
Subject: Resolution on Equity and Justice

ACTION REQUESTED

That the Commission review and approve the following resolution.

BACKGROUND

Repeated instances of racism and violence against African-Americans and other people of color are contributing to a climate of intense sadness, fear, and outrage throughout the nation and in our community. Longstanding inequities, exacerbated by the simultaneous health and economic crises created by COVID-19, imperil the health and well-being of families in our county.

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

FISCAL IMPACT

There is no fiscal impact.

RECOMMENDATION

That the Commission approve the proposed resolution.

Submitted by:

First 5 Alameda County Senior Leadership Team:

Lyssa DeGolia, Loren Farrar, Lisa Forti, Christine Hom, Lanikque Howard, Rowena Kamo, Carla Keener, Michelle Rutherford, Kristin Spanos, Mojgan Vijeh

RESOLUTION ON EQUITY AND SOCIAL JUSTICE

WHEREAS, First 5 Alameda County stands united with our African-American colleagues, partners, and the entire Black community against racism in all its forms, and

WHEREAS, recent incidents of violence and injustice, including state-sanctioned violence and the murders of George Floyd, Breonna Taylor, Ahmaud Arbery and many others, along with the killing of Oscar Grant in Alameda County in 2009, have their roots in historic, structural racism that has created societal barriers to wealth and resources and psychological stress for African Americans and communities of color, with harmful consequences over many generations, and

WHEREAS, Alameda County is the fourth most diverse county in the United States, with over 60% of births to mothers of color, and

WHEREAS, the adverse impacts of racism begin prenatally, and are reflected in large disparities in rates of maternal mortality, infant mortality, and childhood asthma, and

WHEREAS, children from birth to age 5 undergo a formative period of rapid development and thus are particularly vulnerable to the experiences of bigotry, poverty, and violence, and

WHEREAS, racism contributes to the disproportionate experience and occurrence of toxic stress, which can develop when young children and their communities experience prolonged adversity such as family economic hardship, community disinvestment, and consistent lack of basic needs, with potentially lasting impacts on children's physical and emotional health, and

WHEREAS, a history of over 300 years of slavery and oppression, together with intentionally discriminatory practices such as redlining, mass incarceration, deficiencies and inequities in educational funding, and the displacement of families due to gentrification have prohibited access to resources and wealth accumulation among African-Americans and other communities of color, and

WHEREAS, results from First 5 Alameda County's 2019 countywide Kindergarten Readiness Assessment indicate inequities grounded in race and socioeconomics are a major factor in differences in kindergarten readiness, and

WHEREAS, the expanding public health and economic disturbances brought about by the COVID-19 pandemic are disproportionately affecting communities of color in multiple ways including morbidity, mortality, and unemployment, and

WHEREAS, the City of Oakland has declared a COVID-19 related health emergency for African-American residents, and

WHEREAS, child well-being is intimately tied to family and community health, well-being, and financial stability

NOW THEREFORE, BE IT RESOLVED, in this national moment of reckoning, First 5 Alameda County reinforces our mission, practices and policy priorities to address inequity and child poverty, in particular for African American children and families. By prioritizing equity and anti-racist work, with a focus on

African-American families, we can best ensure the well-being of all children in our county. We commit to supporting and safeguarding the life-long potential of children and families by evolving, strengthening and deepening our practices of:

1. Adopting “Reducing Inequity” as one of our four (4) Agency Organizing Principles, and implementing an equity approach—recognizing the existence of power and privilege, and addressing inequity--across the organization, including in operations, program and policy
2. Engaging in ongoing staff professional development and training on implicit bias and an anti-racist framework to inform agency practice regarding racial, economic and social justice
3. Diversifying the field through hiring, internships and fellowships; mentoring and providing leadership development opportunities for staff of color; and eliminating minimum education qualifications for staff positions in recognition of the value of past lived experience and expertise
4. Examining our external practices such as purchasing, contracting and community engagement to use our resources to mitigate the effects of historic, structural racism and barriers to wealth
5. Through Training@First5, offering trainings for providers and parents on topics responsive to community need such as education and criminal justice reform, immigration and public benefits, dealing with debt, and housing and economic rights
6. Through both the Fatherhood strategy and Alameda County Fathers Corps, offering opportunities for training and reflection for male service providers and fathers, especially those of color, and allies on topics related to social justice, racial equity, and personal safety
7. Providing guidance to providers and families on talking to young children about racism and social justice
8. Investing in and advocating for programs and policies that address the structural causes of inequity, ensuring basic needs are met with access to quality health, mental health, housing, food, transportation, jobs, child care and educational experiences, economically stable communities, and opportunities for social connections
9. Addressing community needs exacerbated by the disproportionate impact of Covid-19 by race and place through the distribution of supplies and funding from First 5 Alameda County’s Emergency Community Resilience Fund
10. Promoting parent leadership and civic engagement, and engaging community and parents in the selection of investments and in the design of programs and evaluation, with opportunities for culturally and ethnically focused settings and forums
11. Documenting disparities through data collection and evaluation, including our bi-annual county-wide Kindergarten Readiness Study, and using equity to guide our research questions and practices
12. Advocating for just systems and social policies through our policy agenda and membership in the First 5 State Association, advocacy at the local, state, and federal level, and as a partner and a resource to families and community organizations.



Policy Update

State

The California State Assembly and Senate approved a state budget for fiscal year 20-21 on June 15th. An agreement between the legislature and the Governor could not be reached before June 15th. The legislature passed their version on Monday and now budget negotiations will continue for the next two weeks before the Governor's deadline to sign the budget on July 1. It's important to note that it is believed the Governor will agree to [removing the cuts to the child care reimbursement rates](#) that were in the May Revise. The State Budget to be in place and signed into law by the Governor by July 1st. Specific areas of advocacy remain during the next two weeks of budget negotiations, below are from the First 5 Association:

- **Extend the California Earned Income Tax Credit and the Young Child Tax Credit to ITIN filers with children under age six.** Hundreds of thousands of immigrant families who earn low wages and pay taxes are excluded from these credits, further widening the economic disparities they experience.
- **Protect the jobs of individuals who take paid family leave (PFL), and allot \$1 million to help small businesses comply** with 12 weeks of job-protected leave. Most workers contribute to the state's PFL program but their jobs aren't guaranteed when they return to work, making them effectively unable to use the leave.
- **Maintain funding for the Black Infant Health (BIH) program; Do NOT impose a \$4.5 million cut.** Given the large health disparities between Black mothers and infants and their white counterparts, maintaining this program is essential to pursuing the governor's goal of a California for All.
- **Maintain Prop 56 value-based payments for physicians to improve care for Medi-Cal patients, including developmental screenings** for children 0-5 years old, at a time when well-child visits and immunizations have declined due to COVID-19.
- **Preserve CalWORKS Home Visiting for current families** so they continue to receive this critical family strengthening program during a particularly challenging time for parents and young children.
- **Defer discussion of the nicotine-based tax on vaping products until after the budget is finalized,** to allow more time for an inclusive stakeholder process around policy implications and unintended consequences. First 5 is concerned the current proposal bypasses existing tobacco taxes, which will accelerate our declining revenues. Now is not the time to accelerate cuts to primary prevention programs that help build strong families and support children's development and well-being.

Additional areas of advocacy are:

- **Support the legislature's approved budget package that includes \$1 billion for safety-net services.** According to the [California State Association of Counties](#), if this funding is not included in the final budget, there will be:
 - 40% cuts to investigations of child and elder abuse and neglect and necessary supports to keep families and children safe.
 - 30% cuts to public health, including public health labs critical to COVID-19 response and communicable disease prevention for measles, HIV, and other potential pandemics.
 - 30% cuts to behavioral health including inpatient psychiatric services, youth substance use disorder treatment and other critical programs for adults and children.



- **Reject cuts to [health care services and Medi-Cal in the May Revise](#)**, maintain Medi-Cal dental coverage, Medi-Cal provider payments, funding for community clinics, and extended post-partum coverage.
- **Avoid deep cuts to K-12 education** by rejecting the proposed 10% cut, or \$8 billion in cuts, in the May Revise.

Federal Child Care and Development Block Grant

The May Revise used the estimated \$350 million in Child Care and Development Block Grant funds that was part of the federal CARES Act passed this spring to repay the state for the \$144.3 million in costs associated with SB 89 expenditures, family fee waivers, and provider payment protection already allocated. The additional CCDBG funds would be used for \$125 million for one-time stipends for state-subsidized child care providers offering care during the COVID-19 pandemic; \$73 million for increased access to care for at-risk children and children of essential worker and \$8 million to extend family fee waivers until June 30, 2020.

However, the legislature's budget provides \$53.3 million in new federal CCDBG funds in 2020-21 to the Alternative Payment Programs for approximately 5,600 new child care slots. It also includes a "Child Care Trigger" for additional federal CCDBG aid to fund additional child care access, re-opening grants for centers and family child care homes, and placeholder trailer bill language on rates. Agreement on how to use these funds will be included in the final budget.

Advocacy Action

The First 5 Association requested commissions across the state [reach out to community college and business partners](#) so they can join advocacy efforts to reject the cuts to child care and other early childhood programming in the May Revise. First 5 requested letters from the YMCA of the East Bay and the East bay Economic Development Association, both of whom submitted. The Association is encouraging us to [continue to advocate](#) during the next two weeks by emailing our lawmakers and also amplifying our message on social media.

Federal

Additional federal support for safety net programs, and for states and localities to fill budget gaps, is critical to ensuring vital services are maintained during this public health and fiscal crisis. In May, the U.S. House of Representatives passed the [Heroes Act](#) which included sustained funding for health and social services programs and support for states and cities during the COVID-19 crisis. However, the Senate has yet to act on an addition funding package. The Heroes Act included \$7 billion for Child Care and Development Block Grant (CCDBG) funds but it fell short of the estimated [need by advocates of \\$50 billion](#). The [Child Care is Essential Act](#) was recently introduced in both the House and Senate which supports this need. First 5 Alameda County recently [sent a letter](#) to the Alameda County federal delegation supporting the request for additional funding for child care in future COVID-19 relief packages.