



## FIRST 5 ALAMEDA COUNTY EXECUTIVE COMMITTEE MEETING AGENDA

**Thursday, April 20, 2023**  
**11:00 AM – 12:30 AM**

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

Members of the public may access the meeting  
via Zoom Meeting ID: 869 5946 3269 Passcode: 138105

**Commissioners:**

*Chair:* Renee Herzfeld, *Vice Chair:* Cecilia Oregón, Scott Coffin

- 1. Public Comment**
- 2. Staff Announcements**
  - a. General Staff Announcements**
  - b. CEO Contract Authorizations**
- 3. Approval of Minutes from February 16, 2023**

Recommended Action: Approve Minutes from February 16, 2023.
- 4. FY 2022-23 Second Proposed Budget Modifications**

Recommended Action: Recommend to the Commission the approval of the FY 2022-23 Second Proposed Budget Modifications
- 5. FY 2022-23 Contract Authorizations**

Recommended Action: Approve FY 2022-23 Contract Authorizations
- 6. FY 2023-25 Proposed Budget – First Reading**
- 7. FY 2023-32 Proposed Long Range Financial Plan – First Reading**

**CLOSED SESSION**

- 8. Public Employee Performance Evaluation – Closed Session (held pursuant to Gov. Code §54957)**

Title: CEO

**OPEN SESSION**

- 9. Adjournment**

**Information about access:**

Please contact Julia Otani at [julia.otani@first5alameda.org](mailto:julia.otani@first5alameda.org) or (510) 227- 6987 3 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.



FY 2022-23 CEO-Approved Contracts List  
 CEO Contract Authorizations and Amendments

Original Award, approved by Commission (June 2, 2022)							New Contracts or Augmentations, approved by CEO (2/17/2023-4/20/23)				Contractor Aggregate Amount	
Strategy	Award Number	Contractor	Contract Start Date	Contract End Date	Original Description of Scope of Work	Amount	New Award, Amendment or Ancillary Amount	New Total Contract Amount	Funding to support COVID-19 activities	Description of New Contract or Added Scope of Work	Executive Committee Approval >\$150,000	Commission Approval >\$300,000
Administration and Facilities	OS-ADM-2223-117	Hickman Strategies LLP	7/1/2022	6/30/2023	Funding to provide First 5 Alameda County strategic plan implementation support and agencywide change management.	\$ 114,750.00	\$ 35,000.00	\$ 149,750.00	No	Funding to support the the drafting of the annual update to the 2022-2027 First 5 Alameda County Strategic Plan.	No	No
						<b>\$ 114,750.00</b>	<b>\$ 35,000.00</b>	<b>\$ 149,750.00</b>		<b>CEO Authorizations 2/17/2023-4/20/23</b>		



**First 5 Alameda County Executive Committee Meeting**  
**February 16, 2023, 2:30 PM - 3:30 PM**  
**Zoom Webinar Meeting ID: 858 2613 5506**

Commissioners Present: Vice Chair: Cecilia Oregón, Scott Coffin

Commissioners Not Present: Chair: Renee Herzfeld

First 5 Staff Present: Kristin Spanos, Christine Hom, Detra Teal, Maria Canteros, Julia Otani

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
<b>CALL TO ORDER</b>			
C. Oregón	The meeting was called to order by Vice Chair Oregón who gavelled in at 2:37 PM and stated that the meeting was being recorded. Commissioners Oregón and Coffin stated their names to indicate they were present for the meeting.	None	None
<b>1. PUBLIC COMMENT</b>			
C. Oregón	There was no Public Comment.	None	None
<b>2. STAFF ANNOUNCEMENTS</b>			
K. Spanos	<a href="#">[Attachment]</a> Ms. Spanos presented the General Staff Announcements. <b>A. General Staff Announcements</b>	None	None
<b>3. APPROVAL OF MINUTES FROM DECEMBER 8, 2022</b>			
C. Oregón	<a href="#">[Attachment]</a> Vice Chair Oregón asked if there was any public comment before taking a vote to approve the minutes. Vice Chair Oregón facilitated the vote to approve the December 8, 2022 Executive Committee Meeting minutes.	Motion: Scott Coffin Second: Cecilia Oregón No Abstentions. Motion passed.	None
<b>4. FY 2022-23 CONTRACT AUTHORIZATION</b>			
C. Hom	<a href="#">[Attachment]</a> Ms. Hom presented the FY 2022-23 Contract Authorization. Vice Chair Oregón asked if there was any public comment before taking a vote to approve. Vice Chair Oregón facilitated the vote to recommend the FY 2022-23 Contract Authorization.	Motion: Scott Coffin Second: Cecilia Oregón No Abstentions. Motion passed.	None

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
<b>5. FY 2022-23 MID-YEAR FINANCIAL REPORT AND PROPOSED BUDGET MODIFICATIONS</b>			
C. Hom	<a href="#">[Attachment]</a> Ms. Hom presented the FY 2022-23 Mid-Year Financial Report and Proposed Budget Modifications. Vice Chair Oregon asked if there was any public comment before taking a vote to recommend. Vice Chair Oregon facilitated the vote to recommend the FY 2022-23 Mid-Year Financial Report and Proposed Budget Modifications be brought to the full Commission for final review and approval.	Motion: Scott Coffin Second: Cecilia Oregon No Abstentions. Motion passed.	The FY 2022-23 Mid-Year Financial Report and Proposed Budget Modifications will be brought to the full Commission for final review and approval.
<b>6. FY 2022-23 MID-YEAR INVESTMENT REPORT</b>			
C.Hom	<a href="#">[Attachment]</a> Ms. Hom presented the FY 2022-23 Mid-Year Investment Report. Vice Chair Oregon asked if there was any public comment before taking a vote to recommend. Vice Chair Oregon facilitated the vote to recommend that the FY 2022-23 Mid-Year Investment Report be brought to the full Commission for final review and approval.	Motion: Scott Coffin Second: Cecilia Oregon No Abstentions. Motion passed.	The FY 2022-23 Mid-Year Investment Report will be brought to the full Commission for final review and approval.
<b>7. CLASSIFICATION AND COMPENSATION RECOMMENDATIONS</b>			
C. Hom	<a href="#">[Attachment]</a> Ms. Hom presented the Classification and Compensation Recommendations. Vice Chair Oregon asked if there was any public comment before taking a vote to approve. Vice Chair Oregon facilitated the vote to approve the Classification and Compensation Recommendations.	Motion: Scott Coffin Second: Cecilia Oregon No Abstentions. Motion passed.	None
<b>8. ADJOURNMENT</b>			
C. Oregon	Vice Chair Oregon gavelled out and adjourned the meeting at 3:07 PM	None	None

Respectfully Submitted By: Julia Otani, Executive Assistant



**To:** First 5 Alameda County Executive Committee

**From:** Kristin Spanos, Chief Executive Officer  
Christine Hom, Chief Operating Officer  
Maria Canteros, Finance Administrator

**Date:** April 20, 2023

**Subject:** FY 2022-23 Second Proposed Budget Modifications

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**REQUESTED ACTION**

To review and provide guidance on the FY 2022-23 Second Proposed Budget Modifications in preparation for presentation to the Commission.

**Background: Second Proposed FY 2022-23 Budget Modifications**

The operating budget for FY 2022-23 was adopted by the Commission in June 2022. As in prior years, First 5 Alameda County staff submit mid-year proposals to modify the adopted budget to address material changes in revenue, seek approval for unanticipated expenses that may have occurred and make necessary transfers and adjustments to reflect changes to program goals since the adoption of the original budget. The proposed FY 2022-23 Budget Modification was approved by the Commission on February 23, 2023. A second proposed budget modification is being submitted to include new revenue received since the adoption of the modified budget.

**Revenue and Available Funds**

The FY 2022-23 adopted revised budget projects revenue and available funding totaling \$28,849,697. The second proposed budget modification changes this amount to \$50,531,125, a net increase of \$21,681,428.

The additional change in revenue for this fiscal year is incorporating the full funding award from the City of Oakland Measure AA parcel tax to support the Oakland Children's Initiative. The previous budget revision included only \$1,500,000 of the total award amount to support the initial program planning, hiring, and other implementation costs beginning in January 2023. The contract award has been confirmed for a total award of \$23,181,428. The balance of \$21,681,428 will be fully added to this second budget modification.

**Expenditures**

The FY 2022-23 adopted revised budget projects expenses totaling \$28,849,697. The second proposed budget modification changes this amount to \$50,531,125, a net increase of \$21,681,428. The increase in expenditures are for the Oakland Children's Initiative Early Education Fund activities and reflect the City of Oakland's contract amount for January to June 2023.

<b>Revenue &amp; Expenditures</b>		
	<b>\$24,333,171</b>	<b>Approved Original Budget</b>
	<b>\$28,849,697</b>	<b>Approved Revised Budget (February 2023)</b>
	<b>\$50,531,125</b>	<b>Proposed Second Revised Budget</b>

**Fiscal Impact**

The fiscal impact of the budget modification is a net increase of \$21,681,428 in revenues and expenses, funded by the City of Oakland Children's Initiative Early Education Fund, bringing the total budget to \$50,531,125.

**Recommendation**

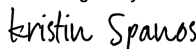
That the Executive Committee recommend the FY 2022-23 Second Proposed Budget Modifications be approved by the Commission at their meeting on April 27, 2023.

Submitted by:

DocuSigned by:  
  
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Christine Hom  
 Chief Operating Officer

Reviewed by:

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Kristin Spanos  
 Chief Executive Officer

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Maria Canteros  
 Finance Administrator

**First 5 Alameda County**  
**Second Proposed Budget Modification**  
**Revenue**  
**July 1, 2022 - June 30, 2023**

Revenues	Approved Original Budget FY2022-23	Approved Revised Budget FY2022-23	Added Revenue April 2023 FY2022-23	Proposed Second Revised Budget FY2022-23
<b>Proposition 10 Tobacco Tax Revenue</b>	12,508,053	10,998,811	-	10,998,811
<b>City of Oakland Measure AA Tax Revenue</b>		1,500,000	21,681,428	23,181,428
<b>Other First 5 Income</b>				-
First 5 California (IMPACT 2020)	1,153,805	1,225,293	-	1,225,293
First 5 California (IMPACT Incentive Layer)	-		-	-
Children's Council of San Francisco (First 5 San Francisco/Hub)	158,000	186,069	-	186,069
<b>Total Other First 5 Income</b>	1,311,805	1,411,362	-	1,411,362
<b>Interagency Income</b>				-
Alameda County Health Care Services Agency (Fathers Corp)	400,000	400,000	-	400,000
Alameda County Office of Education (QRIS 8/9)	447,292	447,292	-	447,292
Alameda County Office of Education (Inclusive ELC Grant)	74,723	74,723	-	74,723
Alameda County Public Health Dept. (shared Technology costs)	122,812	122,812	-	122,812
Alameda County Public Health Dept. (Perinatal Health Outreach Services)		140,000		140,000
<b>Federal Pass-through Grants:</b>				-
Alameda County Public Health Dept. CHDP (Linkage Line)	479,658	479,658	-	479,658
Alameda County Social Services Agency (Workforce Pilot & HMG support)	1,717,507	1,807,507	-	1,807,507
Alameda County Housing and Community Development Agency (via CA Children and Families Foundation)		51,158	-	51,158
				-
<b>Federal Pass-through State Grants:</b>				-
California Dept. of Social Services (QCC QRIS Block Grant)	515,120	515,119	-	515,119
California Dept. of Education (Preschool Development Grant)	55,081	55,081	-	55,081
<b>Total Interagency Income</b>	3,812,193	4,093,350	-	4,093,350
<b>Grants</b>				
Sunlight Giving	120,000	390,000	-	390,000
Alameda Alliance for Health	572,473	1,453,036	-	1,453,036
Stupski Foundation	73,000	160,500	-	160,500
Kaiser Permanente Foundation	110,000	110,000	-	110,000
Tipping Point (via CA Children and Families Foundation)		20,000	-	20,000
Community Family & Child Services (via CA Children and Families Foundation)		1,392,600	-	1,392,600
<b>Total Grants</b>	875,473	3,526,136	-	3,526,136
				-
<b>Fiscal Leveraging - MediCal Administrative Activities</b>	2,000,000	2,000,000	-	2,000,000
				-
<b>Other Income</b>				-
Investment Revenue	324,000	324,000	-	324,000
Miscellaneous Revenue - Other	29,700	14,850	-	14,850
<b>TOTAL REVENUE</b>	<b>20,861,224</b>	<b>23,868,509</b>	<b>21,681,428</b>	<b>45,549,937</b>
<b>RESERVES</b>				
<b>Proposition 10 - Sustainability Funds</b>	3,471,947	4,981,188	-	4,981,188
<b>TOTAL REVENUES &amp; AVAILABLE FUNDS</b>	<b>24,333,171</b>	<b>28,849,697</b>	<b>21,681,428</b>	<b>50,531,125</b>

**First 5 Alameda County  
Second Proposed Budget Modification  
Expenditures  
July 1, 2022 - June 30, 2023**

AGENDA ITEM 4.2

Expenditures	Approved Original Budget FY2022-23	Approved Revised Expenditure Budget FY2022-23	Added Expenditures April 2023 FY2022-23	Proposed Second Revised Expenditure Budget FY2022-23
<b>Personnel Costs</b>	12,529,894	14,758,209	3,477,214	18,235,423
<b>Program Contracts and Grants*</b>	10,165,482	12,267,489	18,204,214	30,471,703
<b>Program Operating Costs**</b>	492,445	532,253	0	532,253
<b>Infrastructure Costs</b>	1,145,350	1,291,746	0	1,291,746
<b>TOTAL EXPENDITURES</b>	<b>24,333,171</b>	<b>28,849,697</b>	<b>21,681,428</b>	<b>50,531,125</b>

\* Program Contracts and Grants also include stipends and professional services contracts with individuals or vendors for time limited services that support program work (e.g. consultants, web design, etc.)

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

**Notes:**

The second proposed revision to expenditures reflects the addition of the funding award from the City of Oakland. At the February 2023 Commission meeting, the proposed revised budget only included \$1.5M of the award. This request will incorporate the remaining balance of \$21,681,428 to reflect the full award amount of \$23,181,428 for the current fiscal period.



First 5 Alameda County  
 Second Proposed Revised  
 Operating Expenditure Budget By Strategy  
 July 1, 2022 - June 30, 2023

AGENDA ITEM 4.3

	Parent Partnership	Pediatric Care Coordination (Early ID)	Quality Early Childhood Education	Fatherhood	Neighborhoods Ready for School	Policy & Advocacy	Data & Evaluation	Training	Communications	Operational Support	Children's Health Initiative & Expansion	TOTAL BUDGET
	<b>FY2022-23 BUDGET - SECOND PROPOSED REVISION</b>											
	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23
Approved Original Budget	3,158,000	3,077,489	4,047,422	767,283	3,500,000	1,146,600	1,058,400	700,000	605,000	6,272,977	0	24,333,171
Approved Revised Budget	3,511,650	4,015,696	4,193,943	767,283	3,500,000	1,266,571	1,385,441	700,000	672,000	6,886,150	1,950,964	28,849,697
April 2023 Addition	0	0	0	0	0	0	0	0	0	3,477,214	18,204,214	21,681,428
Second Proposed Revised Budget	3,511,650	4,015,696	4,193,943	767,283	3,500,000	1,266,571	1,385,441	700,000	672,000	10,363,364	20,155,178	50,531,125

\*Operational Support Strategy includes Finance, Human Resources, Technology & Administration/Facilities



**To:** First 5 Alameda County Executive Committee  
**From:** Christine Hom, Chief Operating Officer  
**Date:** April 20, 2023  
**Subject:** FY 2022-23 Contract Authorizations

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#### REQUESTED ACTION

To approve the following contract authorizations.

#### BACKGROUND

Per our Financial Policies, Section VII. Purchasing and Contracting, the Executive Committee must approve contract/award amounts from \$150,000 - \$300,000 in aggregate. The following awards require specific authorization from the Executive Committee.

#### **Olson Remcho LLP – \$100,000**

First 5 Alameda County is requesting approval of a sole source FY 2022-23 \$100,000 contract amendment with Olson Remcho LLP. This amendment will support additional legal services and consultation in support of Measure AA program implementation. Olson Remcho LLP currently has a FY 2022-23 \$120,000 contract to provide legal services and consultation. The addition of \$100,000 brings the FY 2022-23 aggregate contract amount to \$220,000 for which Executive Committee approval is needed.

Fiscal Impact: Funding is budgeted and provided by Prop 10.

Action requested: Approve an aggregate FY 2022-23 award amount of \$220,000 for Olson Remcho LLP.

#### **Community Health Center Network – \$183,000**

First 5 Alameda County is requesting approval of a FY2022-23 \$183,000 sole source contract with Community Health Center Network (CHCN) to support the Electronic Health Record (EHR) enhancement for all CHCN clinics who serve Medi-Cal patients ages 0-5 in Alameda County. The enhancement will create a referral pathway from the EHR system to Pathways, the data management system for Help Me Grow (HMG), which will reduce the workload for medical providers sending referrals and HMG staff who receive the referrals. The enhancement will make the referral process more efficient, and ultimately increase the ease and ability for clinicians to refer to HMG and connect children to much needed services. CHCN will subcontract with OCHIN, the developer and only company with editing rights to the EHR of CHCN.

Fiscal Impact: Funding is budgeted and provided by the Alameda Alliance for Health.

Action requested: Approve a FY 2022-23 \$183,000 contract with Community Health Center Network.

**RECOMMENDATION**

That the Executive Committee approve the above contract authorizations.

Submitted by:

DocuSigned by:  
*Christine Hom*  
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Christine Hom  
Chief Operating Officer

Reviewed by:

DocuSigned by:  
*Kristin Spanos*  
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Kristin Spanos  
Chief Executive Officer



**To:** First 5 Alameda County Executive Committee

**From:** Kristin Spanos, Chief Executive Officer  
Christine Hom, Finance Officer  
Maria Canteros, Finance Administrator

**Date:** April 20, 2023

**Subject:** FY 2023-25 Budget Proposal – First Reading

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#### **ACTION REQUESTED**

To review, discuss and provide feedback on the following FY 2023-25 Budget Proposal.

#### **BACKGROUND**

Each First 5 Commission is required by statute to adopt a Strategic Plan that outlines the use of tobacco tax funds to serve children age 0-5 and their families. The First 5 Alameda County Commission has approved a five-year Strategic Plan for FY 2022-27. This budget proposal covers the second and third year of the plan, FY 2023-25. First 5 Alameda staff is requesting approval in principle of the second year of the budget (FY 2024-25) at the identical revenue and expense amounts of FY 2023-24 to enable the agency to engage in two-year awards that span FY 2023-25. The full FY 2024-25 budget will be brought to the Commission for consideration beginning in April 2024.

This presentation is the first reading of the FY 2023-25 budget proposal. Staff will prepare the second and final reading for the June Executive and Commission meetings. Any changes directed by the Commission, new information related to the tobacco tax and other revenue streams, as well as major changes to expenditures will be incorporated between now and the June reading. In addition, the presentation in June will include the list of contracts which require Commission authorization.

As is the practice of First 5 Alameda County, changes that occur during the course of the fiscal year will be formally incorporated into the budget during the Mid-Year Budget Modification in February 2024.

#### **CURRENT BUDGET PROPOSAL**

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

- First 5 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 FY 2022-27 Strategic Plan that was approved by the Commission in June 2022.

**REVENUE AND AVAILABLE FUNDS FOR FY 2023-24**

Combined Revenues and Sustainability Funds for FY 2023-24 are projected to be \$50.5 million. We are temporarily using our Sustainability Fund to make a loan to support a steady state so as not to reduce Agency capacity as we anticipate the continued build-out of the early childhood system. This means we are continuing our maintenance of effort approach as we anticipate the receipt of Measure C funding, which will allow us to repay the loan from our Sustainability Fund, and to replace Prop 10 as tobacco tax revenue declines. Therefore, \$5.9 million of Sustainability Funds is budgeted as a loan to close the gap between revenue and projected expenses. This figure is consistent with the proposed FY 2023-32 Long Range Financial Plan.

REVENUE TYPE	2023-24 PROPOSED	RATIONALE/DETAILS
<b>Tobacco Tax</b>		
	\$9,989,067	The tobacco tax revenue projection (Prop 10 and 56) is based on California Department of Finance and First 5 California projections for county commissions. Tobacco taxes are expected to decrease as per First 5 California's projections updated in March 2023 and reflect the decreased revenue due to the passing of the Prop 31 Flavored Tobacco Ban.
<b>Measure AA Tax Revenue</b>		
	\$23,181,428	City of Oakland Measure AA parcel tax funding for the Children's Initiative Early Education Fund.
<b>Other First 5 Income</b>		
	\$1,370,293	Funding includes the projected First 5 California IMPACT grant to support local QRIS work and Children's Council of San Francisco (First 5 San Francisco) funding for the IMPACT Local Regional Training and Technical Assistance Hub.
<b>Interagency Income</b>		
	\$3,822,469	Funding includes contracts with Alameda County Health Care Services Agency (with combined contribution from Social Services Agency, Probation Department, Child Support Services and HCSA) to support Fathers Corp work; funding from the Alameda County Office of Education/CA State Block Grant for projected monies for QRIS grant and Inclusive Learning Grant; funding from Alameda County Public Health Department for shared ECChange maintenance and hosting costs, support of Perinatal Health Outreach Services staffing and the Help Me Grow Central Access Phone Line Services; funding from Alameda County

REVENUE TYPE	2023-24 PROPOSED	RATIONALE/DETAILS
		Social Services Agency for workforce development activities, Early ID activities, continued development of the CEL application; carryover of funding from the Alameda County Housing and Community Development Agency to continue the ECE needs assessment in Unincorporated Alameda County and projected monies from the California Department of Social Services for Quality Counts California QRIS Block Grant.
<b>Grants</b>		
	\$3,353,513	Funding from Sunlight Giving for general operating support; Alameda Alliance for Health and Stupski Foundation funding for the HMG Pediatric Care Pilot; Child Family & Community Services funding to support Parent Engagement and Operations activities and Kaiser Permanente Hospitals Foundation monies for Fatherhood activities.
<b>Fiscal Leveraging</b>		
Fiscal Leveraging	\$2,500,000	Projected funding for Medi-Cal Administrative Activities (MAA); estimates are based on MAA invoices submitted in FY 2022-23.
<b>Other Income</b>		
	\$324,000	Projected other income includes revenue from investments.
<b>Total Revenue (1)</b>	<b>\$44,540,770</b>	Tobacco Tax, Other First 5 Income, Interagency Income, Grants, Fiscal Leveraging and Other Income.
<b>Reserves: Sustainability Fund (2)</b>	<b>\$5,960,933</b>	Draw down from Sustainability Fund to balance the budget.
<b>Grand Total</b>	<b>\$50,501,703</b>	Total Revenues and Available Funds = (1) + (2)

**EXPENDITURES FOR FY 2023-24**

In the FY 2022-27 Strategic Plan planned activities are categorized under ten major strategies:

**PROGRAMS STRATEGIES:**

- Pediatric Care Coordination (Early Identification, Screening and Care Coordination)
- Parent Partnership
- Neighborhoods Ready for School
- Fatherhood
- Quality Early Childhood Education

**AGENCY STRATEGIES:**

- Data and Evaluation
- Policy and Advocacy

- Training
- Communications

**OPERATIONAL SUPPORT STRATEGY:**

- Finance
- Human Resources
- Technology
- Administration and Facilities

The following Expense proposal provides the cost for each of the ten strategies detailed in the Strategic Plan. The program strategy expenditures presented below consist of Salaries and Benefits, Program related Contracts, Grants, Stipends, Professional Services costs and Program Operating costs. Operational Support Strategies include Finance, Human Resources, Technology, Administration and Facilities costs. Indirect agency infrastructure costs are reflected in the Operational Support Strategies budgets. The budget narrative provides 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 2023-24, total salaries and benefits are projected to be \$18,649,906. Salaries are budgeted based on actual amounts. Benefits are budgeted at 53% 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 53% benefit allocation is based on actual cost estimates that are revised periodically as needed.

**Expenditures by Strategies**

The **Pediatric Care Coordination** (formerly Early Identification) strategy budget proposal for FY 2023-24 is **\$4,525,360** and consists of:

FY 2023-24 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$4,525,360	<ul style="list-style-type: none"> <li>▪ Tobacco Tax</li> <li>▪ Medi-Cal Administrative Activities (MAA)</li> <li>▪ Alameda County Public Health Department</li> <li>▪ Alameda County Social Services Agency</li> <li>▪ Alameda Alliance for Health</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue support to parents and caregivers in accessing resources, and increase parent knowledge of child development through family navigation</li> <li>▪ Broaden screening efforts in alignment with Pediatric Care Coordination Strategic Plan, including enhancing screening technology and purchase of ASQ kits</li> <li>▪ Continue support for HMG Pediatric Care Pilot</li> </ul>

**AGENDA ITEM 6**

	<ul style="list-style-type: none"> <li>▪ Stupski Foundation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue local system integration and expansion with managed care plans, health care and social services agencies</li> <li>▪ Continue support of Project DULCE activities</li> </ul>
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The **Parent Partnership** strategy budget proposal for FY 2023-24 is **\$2,378,546** and consists of:

FY 2023-24 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$2,378,546	<ul style="list-style-type: none"> <li>▪ Tobacco Tax</li> <li>▪ Medi-Cal Administrative Activities (MAA)</li> <li>▪ Child Family &amp; Community Services</li> <li>▪ Alameda County Public Health Department</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue support of Family Navigation services</li> <li>▪ Continue support of parent focused services prioritizing children age 0-3 years with community partners and parent leaders to inform programming and investments</li> </ul>

The **Neighborhoods Ready for School** strategy budget proposal for FY 2023-24 is **\$3,200,000** and consists of:

FY 2023-24 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$3,200,000	<ul style="list-style-type: none"> <li>▪ Tobacco Tax</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue support of school readiness and place based work with Oakland Unified School District in the Castlemont Corridor</li> <li>▪ Continue support of Parent Café programming</li> <li>▪ Continue implementation of place based investments including West and East Oakland, Fruitvale/San Antonio neighborhoods and Union City</li> </ul>



**AGENDA ITEM 6**

The **Fatherhood** strategy budget proposal for FY 2023-24 is **\$798,800** and consists of:

FY 2023-24 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$798,800	<ul style="list-style-type: none"> <li>▪ Tobacco Tax</li> <li>▪ Alameda County Health Care Services Agency</li> <li>▪ Kaiser Permanente Hospitals Foundation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue incorporating Father Friendly Principles into additional programs and community initiatives</li> <li>▪ Continue Father Friendly Principles awareness, adoption, implementation, and capacity building campaign to public systems and CBOs</li> <li>▪ Implement Fatherhood Interagency Workgroup</li> <li>▪ Support for Fatherhood Training and Technical Assistance for Northern California FJC Collaborative</li> </ul>

The **Quality Early Childhood Education (QECE)** strategy budget proposal for FY 2023-24 is **\$5,243,903** and consists of:

FY 2023-24 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$5,243,903	<ul style="list-style-type: none"> <li>▪ Tobacco Tax</li> <li>▪ First 5 California</li> <li>▪ Children’s Council of San Francisco (Regional IMPACT T/TA Hub)</li> <li>▪ Alameda County Office of Education</li> <li>▪ CA Department of Education</li> <li>▪ CA Department of Social Services</li> <li>▪ Alameda County Social Services Agency</li> <li>▪ Grant Indirect Revenue</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue to provide core infrastructure, coordinator and convener role for the Quality Rating and Improvement System (QRIS)</li> <li>▪ Continue the recruitment, training and engagement of ECE providers in to the QRIS</li> <li>▪ Continue to conduct and communicate assessment and rating with providers</li> <li>▪ Continue to support trainings, playgroups and provide stipends for Family, Friend and Neighbor providers and Family Child Care sites</li> <li>▪ Provide coaching, consultation, quality improvement services and training on social emotional development (CSEFEL)</li> <li>▪ Continue support for sustainable advising and professional development in institutions of higher education</li> <li>▪ Continue support of ECE workforce pilot program</li> </ul>

**AGENDA ITEM 6**

The **Data and Evaluation** strategy budget proposal for FY 2023-24 is **\$1,378,411** and consists of:

<b>FY 2023-24 PROPOSED AMOUNT</b>	<b>FUNDING SOURCES</b>	<b>PROPOSED ACTIVITIES</b>
\$1,378,411	<ul style="list-style-type: none"> <li>▪ Tobacco Tax</li> <li>▪ Child Family &amp; Community Services</li> <li>▪ Grant Indirect Revenue</li> </ul>	<ul style="list-style-type: none"> <li>▪ Funding to support evaluations of ECE Workforce activities, HMG Parent Survey, Fathers Corp 10 Year report, place-based work</li> <li>▪ Technical assistance to contractors for RBA reporting</li> <li>▪ Continue development of data dashboard, performance monitoring and analysis for each F5AC program strategy in alignment with results-based accountability</li> <li>▪ Continue support of the Unincorporated Alameda County ECE Needs Assessment</li> </ul>

The **Policy and Advocacy** strategy budget proposal for FY 2023-24 is **\$2,334,703** and consists of:

<b>FY 2023-24 PROPOSED AMOUNT</b>	<b>FUNDING SOURCES</b>	<b>PROPOSED ACTIVITIES</b>
\$2,334,703	<ul style="list-style-type: none"> <li>▪ Tobacco Tax</li> <li>▪ Alameda County Housing &amp; Community Development Agency</li> <li>▪ Medi-Cal Administrative Activities (MAA)</li> <li>▪ Grant Indirect Revenue</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue focus on local policy and systems changes to result in the institutionalization of the work that began at First 5</li> <li>▪ Contribute to First 5 Association policy work</li> <li>▪ Continue developing an annual policy platform for local efforts aligned with F5AC programs and priorities around school readiness, child development, family supports, child friendly neighborhoods</li> <li>▪ Continue support of Alameda County Early Childhood Policy Committee activities</li> <li>▪ Continue support of the Unincorporated Alameda County ECE Needs Assessment</li> </ul>

The **Training** strategy budget proposal for FY 2023-24 is **\$700,000** and consists of:

<b>FY 2023-24 PROPOSED AMOUNT</b>	<b>FUNDING SOURCES</b>	<b>PROPOSED ACTIVITIES</b>
\$700,000	<ul style="list-style-type: none"> <li>▪ Tobacco Tax</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue to provide training on best, promising practices and peer learning communities for the multi-disciplinary workforce serving families with young children</li> <li>▪ Develop curriculum and capacity building tools connecting trainings to workforce development, parent engagement and place based strategies</li> <li>▪ Support training for staff development program</li> </ul>

**AGENDA ITEM 6**

The **Communications** strategy budget proposal for FY 2023-24 is **\$843,000** and consists of:

FY 2023-24 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$843,000	<ul style="list-style-type: none"> <li>▪ Tobacco Tax</li> <li>▪ Child Family &amp; Community Services</li> <li>▪ Medi-Cal Administrative Activities (MAA)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue development of dissemination strategy for F5AC reports and information</li> <li>▪ Continue development of social media strategy</li> <li>▪ Continue enhancements to agency website</li> <li>▪ Develop multi-year campaign that connects with policy platform, parent engagement and education on child development</li> <li>▪ Develop collateral materials regarding impacts of F5 investments to promote sustainability</li> </ul>

The **Children’s Health Initiative and Expansion** strategy budget proposal for FY 2023-24 is **\$19,911,981** and consists of:

FY 2023-24 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$19,911,981	<ul style="list-style-type: none"> <li>▪ Measure AA Tax</li> <li>▪ Alameda County Social Services Agency</li> </ul>	<ul style="list-style-type: none"> <li>▪ Implementation of the Oakland Children’s Health Initiative</li> <li>▪ Development of the Centralized Eligibility List (CEL) application</li> </ul>

The **Operational Support (Finance, Human Resources, Technology, Administration and Facilities)** strategy budget proposal for FY 2023-24 is **\$9,187,000** and consists of:

ADMINISTRATION, INFORMATION AND TECHNOLOGY STRATEGY		
FY 2023-24 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$9,187,000	<ul style="list-style-type: none"> <li>▪ Tobacco Tax</li> <li>▪ Medi-Cal Administrative Activities (MAA)</li> <li>▪ Alameda County Public Health Department</li> <li>▪ Alameda County Social Services Agency</li> <li>▪ Investment Revenue</li> <li>▪ Child Family &amp; Community Services</li> <li>▪ Grant Indirect Revenue</li> </ul>	<ul style="list-style-type: none"> <li>▪ Includes Administration, Technology, Finance, Human Resources, Commission, facilities management and consolidated operating costs to support agency operations</li> <li>▪ 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</li> <li>▪ Includes agency wide infrastructure costs of insurance, memberships/dues, professional services, utilities, janitorial and maintenance</li> </ul>

### 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 the Government Finance Officers Association's (GFOA) First 5 Financial Management Guide.

The proposed budgets' costs are:

FY 2023-24 Costs	
Program	82%
Evaluation	3%
Administration	15%
<b>TOTAL</b>	<b>100%</b>


### Fiscal Impact

The fiscal impact is \$50,501,703 in budgeted expenses, a major portion of which will be funded by a combination of Measure AA, tobacco taxes and other revenue sources amounting to \$44,540,770. The balance is proposed to be funded by the use of Sustainability Funds totaling \$5,960,933 in FY 2023-24.

### RECOMMENDATION

That the Executive Committee review the FY 2023-25 Budget Proposal – First Reading and give feedback for clarification or changes in preparation for the Commission's second and final reading on June 22, 2023.

Submitted by:

DocuSigned by:  
  
 5659DF0B756A46A...  
 Christine Hom  
 Chief Operating Officer

Approved by:

DocuSigned by:  
  
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 Kristin Spanos  
 Chief Executive Officer

DocuSigned by:  
  
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 Maria Canteros  
 Finance Administrator

**First 5 Alameda County  
Proposed Budget - Revenue  
July 1, 2023 - June 30, 2024**

Revenues	Proposed Second Modified Budget FY2022-23	First Reading Proposed Budget FY2023-24	Change Increase/ (Decrease)	Notes	NOTES
<b>Tobacco Tax Revenue</b>	<b>10,998,811</b>	<b>9,989,067</b>	<b>(1,009,744)</b>	1	Projected Tobacco Tax revenue, budgeted amount for Alameda County, updated in March 2023.
<b>Measure AA Tax Revenue</b>	<b>23,181,428</b>	<b>23,181,428</b>	<b>0</b>	2	City of Oakland's annual revenue from Measure AA tax for the Children's Health Initiative.
<b>Other First 5 Income</b>					
First 5 California (IMPACT 2020)	1,225,293	1,225,293	-	3	Projected First 5 California IMPACT grant award term July 2023 to June 2024.
Children's Council of San Francisco (First 5 San Francisco/Hub)	186,069	145,000	<b>(41,069)</b>	4	Projected First 5 IMPACT Regional Training and Technical Assistance Hub for Region 4 revenue for term July 2023 to June 2024.
<b>Total Other First 5 Income</b>	<b>1,411,362</b>	<b>1,370,293</b>	<b>(41,069)</b>		
<b>Interagency Income</b>					
Alameda County Health Care Services Agency (Fathers Corp)	400,000	400,000	-	5	ACHCSA Fathers Corp funding for year 2 of 5 year award, term July 2023 to June 2024.
Alameda County Office of Education (QRIS Block Grant)	447,292	489,585	<b>42,293</b>	6	Projected ACOE QRIS Block Grant grant award term July 2023 to June 2024.
Alameda County Office of Education (Inclusive ELC Grant)	74,723	26,561	<b>(48,162)</b>	7	ACOE Inclusive ELC grant award ends December 31, 2023.
Alameda County Public Health Dept. (shared Technology costs)	122,812	141,409	<b>18,597</b>	8	Projected ACPHD annual shared technology costs to support ECChange maintenance and hosting.
Alameda County Public Health Dept. (Perinatal Health Outreach Services)	140,000	140,000	-	9	ACPHD grant award for Perinatal Health Outreach Support services, term July 2023 to June 2024.
Alameda County Social Services Agency (CEL Application)	1,000,000	882,222	<b>(117,778)</b>	10	Carryover of ACSSA funds supporting the development of the CEL Application, term ends December 2023.
<b>Federal Pass-through Grants:</b>					
Alameda County Housing and Community Development Agency	51,158	30,407	<b>(20,751)</b>	11	Carryover of ACHCDA grant for the ECE needs assesement in Unincorporated Alameda County, term ends December 2024.
Alameda County Public Health Dept. CHDP (Linkage Line)	479,658	479,658	-	12	Projected ACPHD HMG Central Access Phone Line Services grant July 2023 to June 2024.
Alameda County Social Services Agency (Family Navigator, Comprehensive Child Development and Workforce Pilot)	807,507	717,508	<b>(89,999)</b>	13	Projected ACSSA grant to support Family Navigator, Comprehensive Child Development and Workforce Pilot, July 2023 to June 2024.
<b>Federal Pass-through State Grants:</b>					
California Dept. of Social Services (QCC QRIS Block Grant)	515,119	515,119	-	14	Projected CDSS QCC Block Grant for award term July 2023 to June 2024.
California Dept. of Education (Preschool Development Grant)	55,081	-	<b>(55,081)</b>	15	CDE PDG grant award ended December 2022.
<b>Total Interagency Income</b>	<b>4,093,350</b>	<b>3,822,469</b>	<b>(270,882)</b>		
<b>Grants</b>					
Sunlight Giving	390,000	525,000	<b>135,000</b>	16	Sunlight Giving general support award of \$200,000 plus carryover of funds received in prior periods.
Alameda Alliance for Health	1,453,036	1,453,036	-	17	Projected Alameda Alliance for Health grant to support HMG's Pediatric Care Pilot (care coordination member engagement activities).
Tipping Point	20,000	-	<b>(20,000)</b>	18	One-time funding to support the evaluation of the ECE Workforce Pilot.
Stupski Foundation	160,500	214,877	<b>54,377</b>	19	Stupski Foundation grant award to support funding the Director of Pediatric Care Coordination position, funded through December 2024.
Kaiser Permanente Hospitals Foundation	110,000	88,000	<b>(22,000)</b>	20	Kaiser Permanente Hospitals Foundation grant award (January 2022 to December 2023) will support Fatherhood Training and T/A for Northern California Family Justice Center Collaborative.
Child Family & Community Services (via CA Children and Families Foundation)	1,392,600	1,072,600	<b>(320,000)</b>	21	Carryover of funds received from the defunct Child Family & Community Services agency to support Parent Partnership and other infrastructure costs.
<b>Total Grants</b>	<b>3,526,136</b>	<b>3,353,513</b>	<b>(172,623)</b>		
<b>Fiscal Leveraging - MediCal Administrative Activities</b>	<b>2,000,000</b>	<b>2,500,000</b>	<b>500,000</b>	22	MAA FY2023-24 projected revenue from FY2022-23 invoices (paid a year in arrears).
<b>Other Income</b>					
Investment Revenue	324,000	324,000	-	23	Projected investment revenue for FY2023-24.
Miscellaneous Revenue - Other	14,850	-	<b>(14,850)</b>	24	No rental income from First 5 Association - lease terminated.
<b>TOTAL REVENUE</b>	<b>45,549,937</b>	<b>44,540,770</b>	<b>(1,009,167)</b>		
<b>RESERVES</b>					
<b>Proposition 10 - Sustainability Funds</b>	<b>4,981,188</b>	<b>5,960,933</b>	<b>979,745</b>		
<b>TOTAL REVENUES &amp; AVAILABLE FUNDS</b>	<b>50,531,125</b>	<b>50,501,703</b>	<b>(29,422)</b>		

**First 5 Alameda County**  
**Proposed Expenditure Budget by Expenditure Category**  
**July 1, 2023 - June 30, 2024**

Expenditures	Modified Budget FY 2022-23	Proposed Budget FY 2023-24	Difference	Variance from Prior Year	Notes
Personnel Costs	\$18,235,424	\$18,649,906	\$414,483	2%	1
Program Contracts/Grants	\$30,471,703	\$29,808,530	(\$663,173)	-2%	2
Program Operating Costs	\$532,253	\$541,419	\$9,166	2%	
Infrastructure Costs	\$1,291,746	\$1,501,848	\$210,102	16%	3
<b>TOTAL EXPENDITURES</b>	<b>\$50,531,126</b>	<b>\$50,501,703</b>	<b>(\$29,422)</b>	<b>0%</b>	

**Notes:**

Major changes in Expenditure Category costs, between the FY 2022-23 Second Modified Budget and the Proposed FY 2023-24 Budget.

**1. Personnel Costs**

FY 2023-24 proposed personnel increases to support the implementation of the Children's Health Initiative (Measure AA), expansion of Pediatric Care Coordination activities and infrastructure expansion.

**2. Program Contracts/Grants**

FY 2023-24 proposed decrease in contracts and grants reflect one-time funding in the prior year and re-direction of budget to support personnel costs.

**3. Infrastructure Costs**

FY 2023-24 proposed increase in infrastructure costs due to additional funding activities.

**First 5 Alameda County  
Proposed Operating Expenditure Budget By Strategy  
July 1, 2023 - June 30, 2024**

AGENDA ITEM 6.3

	Parent Partnership	Pediatric Care Coordination	Quality Early Childhood Education	Fatherhood	Neighborhoods Ready for School	Policy & Advocacy	Data & Evaluation	Training	Communications	Operational Support (Finance, Human Resources, Technology & Admin/Facilities)	Children's Health Initiative and Expansion	TOTAL PROPOSED ORIGINAL BUDGET
<b>PROPOSED FY2023-24 BUDGET - FIRST READING</b>												
	FY 2023-24	FY 2023-24	FY 2023-24	FY 2023-24	FY 2023-24	FY 2023-24	FY 2023-24	FY 2023-24	FY 2023-24	FY 2023-24	FY 2023-24	FY 2023-24
<b>Personnel Costs</b>												
Salaries & Benefits	1,030,316	3,387,212	2,491,392	460,916	530,848	2,231,938	1,059,701	408,097	499,655	5,566,434	983,397	18,649,906
<b>Program Contracts/Grants</b>												
Contracts	1,340,480	1,044,649	2,121,912	260,955	2,654,152	90,413	310,100	175,000	265,413	1,883,527	18,928,584	29,075,185
Grants & Stipends	0	0	452,000	3,000	0	0	0	0	0	0	0	455,000
Professional Services*	0	4,000	63,446	60,000	0	3,165	0	97,000	0	50,734	0	278,345
Total Contracts/Grants	1,340,480	1,048,649	2,637,358	323,955	2,654,152	93,578	310,100	272,000	265,413	1,934,261	18,928,584	29,808,530
<b>Program Operating Costs**</b>	7,750	89,499	115,153	13,929	15,000	9,187	8,610	19,903	77,932	184,456	0	541,419
<b>Infrastructure Costs</b>	0	0	0	0	0	0	0	0	0	1,501,848	0	1,501,848
<b>Total Direct Program Costs</b>	<b>2,378,546</b>	<b>4,525,360</b>	<b>5,243,903</b>	<b>798,800</b>	<b>3,200,000</b>	<b>2,334,703</b>	<b>1,378,411</b>	<b>700,000</b>	<b>843,000</b>	<b>9,187,000</b>	<b>19,911,981</b>	<b>50,501,703</b>



**To:** First 5 Alameda County Executive Committee

**From:** Kristin Spanos, Chief Executive Officer  
Christine Hom, Finance Officer  
Maria Canteros, Finance Administrator

**Date:** April 20, 2023

**Subject:** FY 2023-2032 Long Range Financial Plan – First Reading

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**ACTION REQUESTED**

To review the following FY 2023-32 Long Range Financial Plan.

**BACKGROUND**

First 5 Alameda County has adopted a Long Range Financial Plan (LRFP) annually since March 2004. Adoption of a Long Range Financial Plan has been a statutory requirement of all First 5 Commissions since 2006-07. The current LRFP was formally approved by the Commission in June 2022. An update to the LRFP is included with underlying assumptions as well as historical background information. The update reflects the Proposed Budget for FY 2023-24 and the most recent Tobacco Tax revenue forecast from the California Department of Finance and First 5 California as of March 2023.

**MINIMUM FUND BALANCE REQUIREMENTS**

First 5 Alameda County has used Sustainability Funds to augment operating budget needs and to mitigate Proposition 10 tobacco tax revenue declines, to the extent authorized by the Commission. The Sustainability Fund balance as of June 30, 2022 was \$32.1 million. 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 for delays in receiving state tobacco tax monies 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.



**AGENDA ITEM 7**

**RECOMMENDATION**

To review the following FY 2023-32 Long Range Financial Plan and to give feedback for clarification or changes in preparation for the Commission's second and final reading on June 22, 2023.

Submitted by:

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*Christine Hom*  
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Christine Hom  
Chief Operating Officer

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*Maria Canteros*  
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Maria Canteros  
Finance Administrator

Approved by:

DocuSigned by:  
*Kristin Spanos*  
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 2022-23 figures reflect the revised budget approved in February 2023. For FY 2022-23 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 April 2023 through the period ending FY 2026-27. These consider 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, Proposition 31 Flavored Tobacco Ban), Prop 99, backfill amounts and other factors. The projections listed below cover FY 2027-2032.

Historically, the DoF projections have been on the conservative side; actual revenues received being equal to or higher than projections with the exception of FY 2018-19 and FY 2021-22. We anticipate receiving updated revenue projections from the DoF and First 5 CA periodically 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	\$12.6m
2020-2021	\$11.9m	\$13.0m
2021-2022	\$12.9m	\$12.5m
2022-2023	\$11.0m	
2023-2024	\$10.0m	
2024-2025	\$9.6m	
2025-2026	\$9.2m	
2026-2027	\$8.9m	
2027-2028	\$8.6m	
2028-2029	\$8.3m	
2029-2030	\$8.1m	
2030-2031	\$7.9m	
2031-2032	\$7.7m	

**AGENDA ITEM 7**

Based on the above DoF projection for FY 2022-23, the Long Range Financial Plan assumes a 12.4% decrease in tax revenue from the prior year. Moving forward beyond FY 2023-24, revenues are expected to continue decreasing at rates between approximately 9.2% to approximately 4% and 3% per year through 2032. 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.

- **Measure AA Tax Revenue** – Funding from the City of Oakland Measure AA parcel tax for the Oakland Children’s Initiative Early Education Fund activities (\$23,000,000)
- **Interagency Income** -
  - Funding from First 5 California (IMPACT) – to support local QRIS work including rating and quality improvement in child care settings (\$1,225,000)
  - Funding from First 5 San Francisco via Children’s Council of San Francisco – for the IMPACT Local Regional T/TA Hub (\$145,000)
  - Funding from AC Health Care Services Agency and AC Social Services Agency to support Fathers Corps work (\$400,000)
  - AC Public Health Department funding for ECChange database hosting and maintenance (\$141,000)
  - AC Public Health Department funding to support the Prenatal Health Outreach Services program (\$140,000)
  - Funding from AC Office of Education Block Grant 9 to support Quality Rating Improvement Systems work (projected award \$490,000)
  - Funding from the AC Office of Education to support the Inclusive Early Learning Grant (\$27,000)
  - AC Public Health Department funding for Help Me Grow (HMG) Linkage Line services (\$480,000)
  - Pass through funding from AC Social Services Agency to support early child development activities in the Castlemont neighborhood, workforce development pilot and family navigation services (\$718,000)
  - Funding from AC Social Services Agency to support the Centralized Eligibility List (CEL) Application Project (\$882,000)
- **State Grants** -
  - Funding from the California Department of Social Services QCC QRIS Block Grant (projected award \$515,000)
- **Other Grants** –
  - Projected funding from the Alameda Alliance for Health for continued support of HMG's Pediatric Care Pilot to conduct member engagement activities related to care coordination (projected award \$1,450,000)
  - Funding from the Stupski Foundation through October 2022 to support HMG’s Pediatric Care Coordination activities (\$215,000)
  - Funding from Sunlight Giving for general operating support (\$525,000)
  - Funding from Kaiser Permanente Hospitals Foundation in support of Fatherhood activities (\$88,000)

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

- **Miscellaneous Income** – None
- **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 \$2.5 million. For the purposes of this LRFP, it is assumed that programs eligible for MAA claiming will be reimbursed at this level in the FY 2023-24 budget year and conservatively continuing between \$2.5 million to \$1.8 million through FY 2031-32.
- **Investment Revenue** – The FY 2023-24 proposed budget assumes \$324,000 of investment revenue due based on current year projections.

#### EXPENSES

FY 2023-24 expenditure figures are from the current proposed budget process. For FY 2024-32, total projected Proposition 10 funded expenses are estimated in line with projected revenue declines and are in compliance with the Agency's minimum fund balance policy. Other expenses have been budgeted if supported by committed external fundings such as Oakland Children's Initiative. The plan, outside of FY 2023-24, 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

We are temporarily using our Sustainability Fund to make a loan to support a steady state so as not to reduce Agency capacity as we anticipate the continued build-out of the early childhood system. This means we are continuing our maintenance of effort approach as we anticipate the receipt of Measure C funding, which will allow us to repay the loan from our Sustainability Fund, and to replace Prop 10 as tobacco tax revenue declines. Therefore, \$5.9 million of Sustainability Funds is budgeted as a loan to close the gap between revenue and projected expenses. This figure is consistent with the proposed FY 2023-32 Long Range Financial Plan.

#### 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

**AGENDA ITEM 7**

Commission as a strategy to ensure a long term commitment to funding services for children age 0-5, even as the tobacco tax revenue declined.

The Sustainability Fund is projected to be approximately \$27 million at the end of the current 2022-23 fiscal year and was accumulated in a number of 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 several 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 <sup>1</sup>
2011-12	\$4.1m	\$0.8m
2012-13	\$9.0m	\$5.3m <sup>2</sup>
<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	\$3.7m	\$0.0
2020-21	\$6.1m	\$1.4m
2021-22	\$4.1m	\$2.0m
<u>FY 2022-27 Strategic Plan</u>		
2022-23	\$5.0m	
2023-24	\$5.9m	

<sup>1</sup> 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.

<sup>2</sup> Purchase of office building at 1115 Atlantic Ave., Alameda in April 2013.



Dollars in Thousands	2017 - 2022 Strategic Plan	2022 - 2027 Strategic Plan					2027-2032 Strategic Plan TBD				
	Actual 2021/22	Modified Budget 2022/23	Proposed Budget 2023/24	Projections 2024/25	Projections 2025/26	Projections 2026/27	Projections 2027/28	Projections 2028/29	Projections 2029/30	Projections 2030/31	Projections 2031/32
<b>Beginning Fund Balance</b>	\$ 34,158	\$ 31,566	\$ 26,615	\$ 20,654	\$ 15,252	\$ 10,979	\$ 7,388	\$ 6,030	\$ 5,412	\$ 4,543	\$ 4,543
<b>REVENUES</b>											
Proposition 10 Tobacco Tax	\$ 12,558	\$ 10,999	\$ 9,989	\$ 9,598	\$ 9,227	\$ 8,909	\$ 8,642	\$ 8,382	\$ 8,131	\$ 7,887	\$ 7,650
City of Oakland Measure AA Tax	\$ 23,181	\$ 23,181	\$ 23,181	\$ 23,181	\$ 23,181	\$ 23,181	\$ 23,181	\$ 23,181	\$ 23,181	\$ 23,181	\$ 23,181
Other First 5 Revenue	\$ 989	\$ 1,411	\$ 1,370	\$ 1,000	\$ 1,000	\$ 1,000					
- First 5 California (IMPACT 2020)	\$ 900	\$ 1,225	\$ 1,225	\$ 1,000	\$ 1,000	\$ 1,000					
- First 5 San Francisco/Childrens Council of SF (T/TA Hub)	\$ 89	\$ 186	\$ 145								
Interagency Income - County	\$ 2,501	\$ 3,523	\$ 3,308	\$ 400	\$ 400	\$ 400					
- ACHCSA (Fathers Corps)	\$ 138	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400					
- ACPHD (Data Systems Hosting and Maintenance)	\$ 117	\$ 123	\$ 141								
- ACPHD Home Visiting/PHOC		\$ 140	\$ 140								
- AC Office of Educ. (QRIS Block Grant)	\$ 568	\$ 447	\$ 490								
- AC Office of Educ. (Inclusive Early Learning)	\$ 121	\$ 74	\$ 27								
Interagency Income - Federal Pass-through											
- ACPHD HMG Linkage Line	\$ 459	\$ 480	\$ 480								
- ACHCDA (Unincorporated Needs Assessment)		\$ 51	\$ 30								
- ACSSA (Navigation, Workforce Pilot, Comp Child Dev)	\$ 698	\$ 808	\$ 718								
- ACSSA (FCC Grants)	\$ 400										
- ACSSA (CEL Application Project)		\$ 1,000	\$ 882								
State Grants - Federal Pass-through	\$ 539	\$ 570	\$ 515								
- CA Dept. of Social Services (QCC QRIS Block Grant)	\$ 454	\$ 515	\$ 515								
- CA Dept. of Education (Preschool Development Grant)	\$ 85	\$ 55									
Other Grants (Private, Foundation or Other)	\$ 1,140	\$ 3,527	\$ 3,354	\$ 88							
- Alameda Alliance for Health	\$ 572	\$ 1,453	\$ 1,453								
- Aurrera Health Group	\$ 49										
- Sunlight Giving	\$ 320	\$ 390	\$ 525								
- Stupski Foundation	\$ 169	\$ 161	\$ 215	\$ 88							
- CA Wellness Foundation (Fatherhood activities)	\$ 20										
- Child Family & Community Services		\$ 1,393	\$ 1,073								
- Tipping Point		\$ 20									
- Kaiser Permanente Hospitals Foundation	\$ 10	\$ 110	\$ 88								
Miscellaneous Income	\$ 67	\$ 15									
Fiscal Leveraging (MAA)	\$ 2,043	\$ 2,000	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 1,850	\$ 1,850	\$ 1,850	\$ 1,850	\$ 1,850
Investment Income	\$ 549	\$ 324	\$ 324	\$ 217	\$ 160	\$ 115	\$ 78	\$ 63	\$ 57	\$ 48	\$ 48
<b>TOTAL REVENUES</b>	<b>\$ 20,386</b>	<b>\$ 45,550</b>	<b>\$ 44,541</b>	<b>\$ 36,984</b>	<b>\$ 36,468</b>	<b>\$ 36,105</b>	<b>\$ 33,750</b>	<b>\$ 33,477</b>	<b>\$ 33,219</b>	<b>\$ 32,966</b>	<b>\$ 32,729</b>
<b>TOTAL EXPENSES</b>	<b>\$ 20,692</b>	<b>\$ 50,531</b>	<b>\$ 50,502</b>	<b>\$ 39,669</b>	<b>\$ 38,081</b>	<b>\$ 37,081</b>	<b>\$ 33,181</b>	<b>\$ 32,181</b>	<b>\$ 32,181</b>	<b>\$ 31,181</b>	<b>\$ 30,181</b>
<b>TOTAL PROP 10 EXPENSES</b>	<b>\$ 15,150</b>	<b>\$ 15,950</b>	<b>\$ 15,950</b>	<b>\$ 15,000</b>	<b>\$ 13,500</b>	<b>\$ 12,500</b>	<b>\$ 10,000</b>	<b>\$ 9,000</b>	<b>\$ 9,000</b>	<b>\$ 8,000</b>	<b>\$ 7,000</b>
<b>CASHFLOW</b>											
Total Disbursements	\$ 20,692	\$ 50,531	\$ 50,502	\$ 39,669	\$ 38,081	\$ 37,081	\$ 33,181	\$ 32,181	\$ 32,181	\$ 31,181	\$ 30,181
(Shortfall)/Surplus Revenue over Expenses (Use of Sustainability Fund)	\$ (2,592)	\$ (4,951)	\$ (5,961)	\$ (5,402)	\$ (4,273)	\$ (3,591)	\$ (1,358)	\$ (618)	\$ (869)	\$ (113)	\$ 650
Ending Fund Balance	\$ 31,566	\$ 26,615	\$ 20,654	\$ 15,252	\$ 10,979	\$ 7,388	\$ 6,030	\$ 5,412	\$ 4,543	\$ 4,430	\$ 5,194
MINIMUM FUND BALANCE REQUIRED (50% OR 6 Months of Prop 10 Budgeted Expenses)	\$ 7,575	\$ 7,975	\$ 7,975	\$ 7,500	\$ 6,750	\$ 6,250	\$ 5,000	\$ 4,500	\$ 4,500	\$ 4,000	\$ 3,500

LONG RANGE FINANCIAL PLAN FY 2023-2032 BUDGET & FUND BALANCE (\$000s)

