



FIRST 5 ALAMEDA COUNTY EXECUTIVE COMMITTEE MEETING AGENDA

Thursday, June 17, 2021

Members of the public may access this meeting via:

Zoom Meeting: <https://zoom.us/j/95576952015>

Meeting ID: 955 7695 2015

9:00 AM – 10:30 AM

Commissioners:

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

1. Public Comment
2. Staff Announcements
 - a. General Staff Announcements
 - b. COVID-19 Response Update and CEO Contract Authorizations
3. Approval of Minutes from April 15, 2021
4. Administrative Recommendations in Response to COVID-19
5. FY 2021-22 Proposed Budget – Final Reading
6. FY 2021-30 Proposed Long Range Financial Plan – Final Reading
7. FY 2021-22 Contract Authorizations
8. GASB 54 Fund Balance Commitment
9. FY 2021-22 ACERA 401(h) Account Authorization
10. Adjournment

Information about access:

Please contact Julia Otani at 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 2020-21 Contracts List

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

Original Award, approved by Commission (June 18, 2020)							New Contracts or Augmentations, approved by CEO (4/16/2021-6/17/2021)				
Strategy	Award Number	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	
COVID-19 Community Resilience Fund	CS-CRF-2021-505	Raising A Reader	5/1/2021	6/30/2021	N/A	N/A	\$101,717.36	\$101,717.36	Yes	Funding to purchase and distribute Earliest Learner Backpacks to a variety of supply distribution sites and school districts in Alameda County identified by First 5.	
COVID-19 Community Resilience Fund	CS-CRF-2022-506	SupplyBank.org	5/1/2021	9/30/2021	N/A	N/A	\$234,000.00	\$234,000.00	Yes	Funding to purchase and distribute Kindergarten Readiness Backpacks to a variety of supply distribution sites and school districts in Alameda County identified by First 5.	
Quality Early Childhood Education	PI-ECE-2021-403	California School-Age Consortium	7/1/2020	6/30/2021	Funding to manage the Quality Counts process for distributing Quality Improvement grants. Funds will be used to make facility and environment improvements, enhance training and staff release time, support technology needs, and support professional development activities	\$699,729.00	\$130,650.00	\$830,379.00	No	Funding to manage the Quality Counts process for distributing Quality Improvement grants including Professional Development (PD) stipends for ECE teachers and Family Child Care staff.	
Neighborhoods Ready for School	PI-NRS-2022-508	Lotus Bloom Resource Center	6/1/2021	6/30/2022	N/A	N/A	\$100,000.00	\$100,000.00	No	Funding to distribute basic needs supports to families with children 0-5 in Alameda County through the Oakland Family Resource Center Network.	
							\$ 699,729.00	\$ 566,367.36	\$ 1,266,096.36		CEO Authorizations 4/16/2021 - 6/17/2021



First 5 Alameda County Executive Committee Meeting
April 15, 2021, 9:00 AM – 10:30 AM
Zoom Webinar Meeting ID: 987 0868 8524

Commissioners Present: Chair: Renee Herzfeld, Vice Chair: Cecilia Oregón
 Commissioner Not Present: Scott Coffin
 First 5 Staff Present: Kristin Spanos, Christine Hom, Julia Otani, Mojgan Vjeh

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
CALL TO ORDER			
R. Herzfeld	The meeting was called to order by Chair Herzfeld who gaveled in at 9:00 AM and stated that the meeting was being recorded.	None	None
1. PUBLIC COMMENT			
R. Herzfeld	There was no Public Comment.	None	None
2. STAFF ANNOUNCEMENTS			
K. Spanos	<p>[Attachment] Ms. Spanos presented the General Staff Announcements and COVID-19 Response Update.</p> <p>A. General Staff Announcements</p> <ul style="list-style-type: none"> • James Harrison will prepare a memo and provide an update on Measure C at the upcoming Commission meeting. F5AC is continuing to prepare for Measure C implementation with both intensive, internal planning and working with outside consultants. • Internal planning has begun for the 2021 Kindergarten Readiness Assessment. F5AC will be approaching the assessment differently than in the past and are looking into surveying teachers and parents. An advisory committee including educators and parents will be formed to inform the approach and interpreting the data received. • F5AC is developing a RFQ to solicit applications for a firm to conduct a class, compensation and benefits study as well as an organizational structure assessment and recruitment for strategic hiring. • Staff will be setting up a meeting in May with Chair Herzfeld, Vice Chair Oregón and VIVA Consulting to do an initial review of the agency's ordinance and bylaws. <p>B. COVID-19 Response Update</p> <ul style="list-style-type: none"> • The CARES Act funding received from Alameda County Social Services for supplies distribution is ongoing with prioritization of the Neighborhoods Ready For School sites and at the Resource and Referral agencies. 	None	None

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
3. APPROVAL OF MINUTES FROM FEBRUARY 18, 2021			
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 18, 2021 Executive Committee Meeting minutes.	Motion: C. Oregón Second: R. Herzfeld No Abstentions. Motion passed.	None
4. FY 2021-22 PROPOSED BUDGET - FIRST READING			
C. Hom	[Attachment] Ms. Hom presented the FY 2021-22 Proposed Budget – First Reading Combined Revenue and Sustainability Funds for FY 2021-22 are projected to be \$23 million. \$3.9 million of Sustainability Funds is budgeted to close the gap between revenue and projected expenses. \$550,000 is proposed to be carried over from the current year to FY 2022 for the extension of several Community Resilience Fund (CRF) school district awards. <ul style="list-style-type: none"> • Sources of revenue include Prop 10 tobacco tax, Prop 56 backfill, Other First 5 Income, Interagency Income, Grants, Fiscal Leveraging, Investment Revenue and Miscellaneous Revenue. • Total proposed expenses for FY 2021-22 are projected to be \$23 million in the following categories: Personnel Costs, Program Contracts/Grants, Program Operating Costs and Infrastructure Costs. 	None	None
5. FY 2021-30 PROPOSED LONG RANGE FINANCIAL PLAN - FIRST READING			
C. Hom	[Attachment] Ms. Hom presented the FY 2021-30 Proposed Long Range Financial Plan – First Reading <ul style="list-style-type: none"> • The Long Range Financial Plan assumes a 1.6% decrease in tax revenue from the prior year. Moving forward beyond FY 2021-22, revenues are expected to continue decreasing at a rate of approximately 5% and 3% per year through 2030. • Assumptions around Interagency income, grants and private foundation funding are based on anticipated award termination dates. • MAA federal fiscal leveraging is proposed at \$1.8M for the next year. The plan includes a gradual decrease of revenue in later years. • 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 or other revenues. The recommendation is to maintain an amount in the Fund Balance at a minimum equal to 6 months of operating expenses, plus an amount to cover fiscal obligations during the term of the plan. 	None	None
6. CEO PERFORMANCE EVALUATION – CLOSED SESSION (Gov Code 54754.5)			
R. Herzfeld	Chair Herzfeld requested that all members of the public and staff leave the Zoom meeting for Closed Session to conduct the CEO’s performance evaluation.		

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
6. CEO PERFORMANCE EVALUATION – CLOSED SESSION (Gov Code 54754.5) (Continued)			
	<p>The public was dismissed at 9:28 AM.</p> <p>Chair Herzfeld reconvened open session at 9:44 AM and reported back the Executive Committee action taken in closed session.</p> <p>Chair Herzfeld stated that the Executive Committee voted and approved an additional 2 weeks of vacation be provided to the CEO for 2021.</p>	<p>Motion: C. Oregón</p> <p>Second: R. Herzfeld</p> <p>No Abstentions.</p> <p>Motion passed.</p>	
7. ADJOURNMENT			
R. Herzfeld	Chair Herzfeld gavelled out and adjourned the meeting at 9:47 AM.		

Respectfully Submitted By: Julia Otani, Executive Assistant



To: First 5 Alameda County Executive Committee

From: Mojgan Vijeh, Director of Operations & Technology

Date: June 17, 2021

Subject: Administrative Recommendations in Response to COVID-19

REQUESTED ACTION

To review the following administrative recommendations.

BACKGROUND

Since the beginning of March 2020 First 5 Alameda County has implemented a series of work accommodations in response to the COVID-19 pandemic. In addition to restricting work travel, onsite trainings, outside use of our facility, and providing guidance to our contractors, we also adopted a mandatory remote work arrangement in accordance with school closures and the County's Public Health Shelter in Place order. First 5 adopted these measures out of necessity and given the "all in" nature of the moment we felt it was important to support social distancing efforts. It was a way to do our small part to mitigate the spread of the virus and lessen the impact on our health care system.

We have identified critical functions and developed policies and protocols to ensure ongoing business operations during these extraordinary times. We prioritized supporting staff who are balancing personal demands, along with work, during the pandemic. To this end, aligned with the Department of Labor recommendations, we have created flexible schedules and temporary part-time schedules, are working with employees on intermittent FMLA arrangements and planning for employees' eventual return to the office in 2022.

In April 2020, the Commission approved the following recommendations from staff to grant the agency the administrative flexibility to allow F5AC to release resources and partner most efficiently with public and community leadership and families in support of our County response to COVID-19:

1. Allow staff to sell up to their accrued vacation balance and Paid Time Off (PTO) balances through 6/30/2020
2. Allow staff to request an advance of no more than one bi-weekly gross pay
3. Increase appropriation of \$1,000,000 to the budget thereby increasing the modified approved FY 2019-20 budget from \$23,785,904 to \$24,785,904
4. Increase FY 2020-21 budget proposal to include \$2,000,000 for COVID-19 Community Resilience Fund activities

5. Extend administrative flexibility for CEO to authorize contracts adopting the proposed temporary policies through June 30, 2021
6. Delegate authority to the Executive Committee to approve awards greater than \$250,000 as needed

In light of the uncertainty associated with the ongoing pandemic and our preparations for returning to the office in 2022, F5AC is requesting that the Commission consider continuing the following administrative recommendation to allow the agency flexibility through June 30, 2022:

1. In addition to the CEO's current discretion to approve modifications to contractors' scope of work/timeline as needed, extend administrative flexibility for the CEO to authorize contracts adopting the following temporary policies through June 30, 2022:
 - Increase CEO annual contract authorization authority up to \$250,000 (not subject to limits of aggregate approval); reporting of funds distributed will be provided at Commission meetings post origination
 - Awards greater than \$250,000 will be brought to the Executive Committee for approval; Commission is requested to delegate approval authority to the Executive Committee

F5AC also requests the administrative flexibility for the following items to allow for business efficiencies, continued leadership responsiveness to support staff morale and the anticipated agency expansion:


2. Expand the charge of the Executive Committee to include review, discussion and decision making on governance related matters. Historically, the Executive Committee has acted in the capacity of reviewing agency operational issues including finance, human resources and administrative items and policies to support business processes. The additional function of reviewing governance related policies and procedures including but not limited to the governing ordinance and Commission bylaws will allow the Executive Committee to efficiently support necessary updates to agency practices. Any formal action taken by the Executive Committee in this area will be reported back to the Commission. In addition, the Executive Committee may make final recommendations to the Commission to consider.
3. Extend temporary delegation of authority to CEO through June 30, 2022 to adjust F5AC's Employee Handbook and implementation of these policies, including paid time off as deemed necessary, in response to the COVID-19 pandemic.

RECOMMENDATION

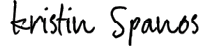
That the Executive Committee recommend the following administrative recommendations be approved by the Commission at their meeting on June 24, 2021:

1. Extend administrative flexibility for CEO to authorize contracts up to \$250,000 adopting the proposed temporary policies through June 30, 2022; Delegate authority to Executive Committee to approve contracts that exceed \$250,000 as necessary
2. Expand the charge of the Executive Committee to include review, discussion and decision making on governance related matters
3. Extend temporary delegation of authority to CEO to adjust F5AC's Employee Handbook and implementation of these policies, including paid time off as deemed necessary, in response to the COVID-19 pandemic.

Submitted by:

DocuSigned by:

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Mojgan Vije
Director of Operations & Technology

Reviewed by:

DocuSigned by:

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Kristin Spanos
Chief Executive Officer



To: First 5 Alameda County Executive Committee

From: Kristin Spanos, Chief Executive Officer
Mojgan Vijeh, Director of Operations & Technology
Christine Hom, Finance Officer
Maria Canteros, Finance Administrator

Date: June 17, 2021

Subject: FY 2021-22 Budget Proposal – Final Reading

ACTION REQUESTED

To review, discuss and provide feedback on the following FY 2021-22 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 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 2020 meeting. The Commission also approved in principle the second year of a two-year 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. This budget proposal covers the last year of that period, FY 2021-22.

This presentation is the final reading of the FY 2021-22 budget proposal and incorporates new information related to revenue streams as well as minor changes to expenditures since the first reading. In addition, the list of proposed FY 2021-22 contracts and those that exceed \$250,000 which require Executive Committee authorization will be presented in conjunction with the proposed budget.

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 2022.

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 2021-22

Combined Revenues and Sustainability Funds for FY 2021-22 are projected to be approximately \$24 million. This figure is consistent with the proposed FY 2021-30 Long Range Financial Plan. \$4.5 million of Sustainability Funds are budgeted to close the gap between revenue and projected expenses (\$2.2 million less than the current year's planned use of Sustainability Funds). Since the beginning of the FY 2017-22 Strategic Plan, the estimated aggregate usage of the Sustainability Fund was \$22 million, however due to increased revenues from tobacco taxes, MAA federal fiscal leveraging reimbursements, investment income and receipt of philanthropic monies, the estimated aggregate usage through FY 2021-22 will be \$9 million.

REVENUE TYPE	2021-22 PROPOSED	RATIONALE/DETAILS
Prop 10 Tobacco Tax		
	\$11,765,441	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 projections released in May 2020.
Other First 5 Income		
	\$1,267,218	Funding includes the First 5 California IMPACT 2 grant and IMPACT Incentive Layer 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.
Interagency Income		
	\$2,606,066	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 projected monies for QRIS 8 grant and Inclusive Learning Grant, funding from Alameda County Public Health Department for shared ECChange maintenance and hosting costs, funding from Alameda County Social Services Agency for workforce development activities and Early ID support, funding from the California Department of Education for Quality County California projected monies for QRIS Block Grant 4 grant and new funding from the California Department of Social Services for the Preschool Development Grant.

REVENUE TYPE	2021-22 PROPOSED	RATIONALE/DETAILS
Grants		
	\$1,143,842	Funding from Sunlight Giving for general operating support (including unspent carry over from prior years), additional monies from the Alameda Alliance for Health for the HMG Pediatric Care Pilot, Aurrera Health Group for the ACEs AWARE program and California Wellness Foundation for Fatherhood activities.
Fiscal Leveraging		
Fiscal Leveraging	\$1,850,000	Projected funding for Medi-Cal Administrative Activities (MAA); estimates are based on MAA invoices submitted in FY 2020-21.
Other Income		
	\$668,749	Projected other income includes revenue from investments, Fatherhood Summit donations and sponsorships for the event in 2022 and rental income from the First 5 Association.
Total Revenue (1)	\$19,301,256	Prop 10 Tobacco Tax, Other First 5 Income, Interagency Income, Grants, Fiscal Leveraging and Other Income
Reserves:		
Prop 10 Sustainability Funds (2)	\$3,857,433	Draw down from Proposition 10 Sustainability Fund to balance the budget.
Prop 10 Prior Year Budget Savings (3)	\$678,391	FY2020-21 budget savings to be used for extension of CRF contracts with school districts.
Grand Total	\$23,837,080	Total Revenues and Available Funds = (1) + (2) + (3)

EXPENDITURES FOR FY 2021-22

In the 2017-2022 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
- *COVID-19 Community Resilience Fund

The Commission approved the addition of an eleventh strategy “COVID-19 Community Resilience Fund” for FY 2020-21 to enable the agency to respond to community need due to the pandemic.

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, 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 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 2021-22, total salaries and benefits are projected to be \$12,010,614. Salaries are budgeted based on actual amounts. Benefits are budgeted at 51% 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 51% allocation is based on actual cost estimates that are revised periodically as needed.

The **Parent Engagement and Support** strategy budget proposal for 2021-22 is **\$3,048,000** and consists of:

FY 2021-22 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$3,048,000	<ul style="list-style-type: none"> ▪ Tobacco Tax ▪ Medi-Cal Administrative Activities (MAA) ▪ Alameda County Social Services Agency 	<ul style="list-style-type: none"> ▪ Continue support of ECE workforce pilot program ▪ Continue support of Family Navigation services ▪ Continue support and expansion of Project DULCE activities ▪ Continue support of parent focused services with community partners and evaluation of program services

The **Early Identification** strategy budget proposal for 2021-22 is **\$2,957,057** and consists of:

FY 2021-22 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$2,957,057	<ul style="list-style-type: none"> ▪ Tobacco Tax ▪ Medi-Cal Administrative Activities (MAA) ▪ Alameda County Public Health Department ▪ Alameda County Social Services Agency ▪ Alameda Alliance for Health ▪ Aurrera Health Group 	<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 support for HMG Pediatric Care Pilot ▪ Continue programming for ACES Aware grant ▪ Continue to explore local system integration and sustainability with managed care, health care and social services agencies

The **Quality Early Childhood Education (QECE)** strategy budget proposal for 2021-22 is **\$4,169,878** and consists of:

FY 2021-22 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$4,169,878	<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 ▪ CA Department of Social Services ▪ Sunlight Giving 	<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

The **Fatherhood** strategy budget proposal for 2021-22 is **\$602,999** and consists of:

FY 2021-22 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$602,999	<ul style="list-style-type: none"> ▪ Tobacco Tax ▪ Alameda County Health Care Services Agency ▪ California Wellness Foundation ▪ Fatherhood Summit Sponsors 	<ul style="list-style-type: none"> ▪ Continue incorporating Father Friendly Principles into additional programs and community initiatives ▪ Continue Fatherhood Partnership Program, host Summit in 2022 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 2021-22 is **\$3,550,000** and consists of:

FY 2021-22 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$3,550,000	<ul style="list-style-type: none"> ▪ Tobacco Tax ▪ Sunlight Giving 	<ul style="list-style-type: none"> ▪ Continued support of school readiness and place-based work with Oakland Unified School District 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 Oakland Family Resource Center (FRC) Network partners providing basic needs funds to families

The **Innovation** strategy budget proposal for 2021-22 is **\$200,000** and consists of:

FY 2021-22 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$200,000	<ul style="list-style-type: none"> ▪ Tobacco Tax 	<ul style="list-style-type: none"> ▪ Continue to support equity and strategic planning activities including readiness for Measure C implementation

The **Policy, Planning and Evaluation** strategy budget proposal for 2021-22 is **\$2,186,737** and consists of:

FY 2021-22 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$2,186,737	<ul style="list-style-type: none"> ▪ Tobacco Tax 	<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

		<ul style="list-style-type: none"> ▪ 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)
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The **Training and Capacity Building** strategy budget proposal for 2021-22 is **\$700,000** and consists of:

FY 2021-22 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 2021-22 is **\$604,096** and consists of:

FY 2021-22 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$604,096	<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 2021-22 is **\$5,139,922** and consists of:

ADMINISTRATION, INFORMATION AND TECHNOLOGY STRATEGY		
FY 2021-22 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$5,139,922	<ul style="list-style-type: none"> ▪ Tobacco Tax ▪ Medi-Cal ▪ Administrative Activities (MAA) ▪ Alameda County Public Health Department ▪ Alameda County Social Services Agency ▪ Investment Revenue ▪ 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 2021-22 is **\$678,391** and consists of:

COVID-19 COMMUNITY RESILIENCE FUND STRATEGY		
FY 2021-22 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$678,391	<ul style="list-style-type: none"> ▪ Tobacco Tax ▪ Sunlight Giving 	<ul style="list-style-type: none"> ▪ Includes second year of funding for several school district awards that were approved to span FY 2021-22 ▪ Continue activities with community partners providing basic needs support to families

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:

2021-22 COSTS	
Program	78.8%
Evaluation	7.4%
Administration	13.8%
TOTAL	100.0%

Fiscal Impact

The fiscal impact is \$23,837,080 in budgeted expenses, a major portion of which will be funded by a combination of Prop 10 and other revenue sources amounting to \$19,301,256. The balance is expected to be funded by Proposition 10 Sustainability Funds totaling \$4,535,824 in FY 2021-22.

RECOMMENDATION

That the Executive Committee review the FY 2021-22 Budget Proposal and provide feedback for clarification or changes in preparation for the final reading by the Commission on June 24, 2021.

Submitted by:

Reviewed by:

DocuSigned by:
Christine Hom
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Christine Hom
Finance Officer

DocuSigned by:
Kristin Spanos
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Kristin Spanos
Chief Executive Officer

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Mojgan Vjeh
Director of Operations & Technology

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Maria Canteros
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Maria Canteros
Finance Administrator

**First 5 Alameda County
Proposed Budget - Revenue
July 1, 2021 - June 30, 2022**

Revenues	Adopted Modified Budget FY2020-21	Final Reading Proposed Budget FY2021-22	Change Increase/ (Decrease)	Notes
Proposition 10 Tobacco Tax Revenue	11,266,978	11,765,441	498,463	1
Other First 5 Income			-	
First 5 California (IMPACT 2)	972,567	1,049,218	76,651	2
First 5 California (IMPACT Incentive Layer)	659,000	108,000	(551,000)	3
Children's Council of San Francisco (First 5 San Francisco/Hub)	110,000	110,000	-	4
Total Other First 5 Income	1,741,567	1,267,218	(474,349)	
Interagency Income			-	
Alameda County Health Care Services Agency (Fathers Corp)	128,000	128,000	-	5
Alameda County Office of Education (QRIS 6)	178,283	-	(178,283)	6
Alameda County Office of Education (QRIS 7, QRIS 8 <i>projected</i>)	444,217	444,204	(13)	7
Alameda County Office of Education (IEEEP Inclusive Learning Grant)	96,428	134,626	38,198	8
Alameda County Behavioral Health Care Services Agency (ACECPC)	9,800	-	(9,800)	9
Alameda County Public Health Dept. (shared Technology costs)	108,000	114,000	6,000	10
Federal Pass-through Grants:			-	
Alameda County Public Health Dept. (Healthy Teeth, Healthy Communities)	396,170	-	(396,170)	11
Alameda County Public Health Dept. (Home Visiting/PHOC)	103,772	-	(103,772)	12
Alameda County Public Health Dept. (Linkage Line)	472,038	449,344	(22,694)	13
Alameda County Social Services Agency (Workforce Pilot and HMG support)	717,507	717,507	-	14
Alameda County Social Services Agency (Child Care Grants & Community Supplies)	4,000,000	-	(4,000,000)	15
California Dept. of Education (QCC QRIS Block Grant #2)	566,371	-	(566,371)	16
California Dept. of Education (QCC QRIS Block Grant #3, #4 <i>projected</i>)	570,584	539,625	(30,959)	17
California Dept. of Social Services (Preschool Development Grant)	-	78,700	78,700	18
Total Interagency Income	7,791,170	2,606,006	(5,185,164)	
Grants			-	
Sunlight Giving	355,000	475,852	120,852	19
Center for the Study of Social Policy (Project DULCE)	30,300	-	(30,300)	20
Connecticut Children's Medical Center (HMG COP Advisor)	9,500	-	(9,500)	21
Alameda Alliance for Health	165,000	572,473	407,473	22
Aurrera Health Group	325,470	50,517	(274,953)	23
Packard Foundation	25,000	-	(25,000)	24
Cal Wellness Foundation	-	45,000	45,000	25
Total Grants	910,270	1,143,842	233,572	
			-	
Fiscal Leveraging - MediCal Administrative Activities	1,500,000	1,850,000	350,000	26
Other Income				
Investment Revenue	375,000	450,000	75,000	27
Miscellaneous Revenue - Fatherhood Summit	194,999	179,999	(15,000)	28
Miscellaneous Revenue - Other	112,932	38,750	(74,182)	29
TOTAL REVENUE	23,892,916	19,301,256	(4,591,660)	
RESERVES			-	
Proposition 10 - Sustainability Funds	6,127,009	3,857,433	(2,269,576)	30
Proposition 10 - Prior year budget savings for CRF	618,000	678,391	60,391	31
TOTAL REVENUES & AVAILABLE FUNDS	30,637,925	23,837,080	(6,800,845)	
			-	

First 5 Alameda County
Proposed Operating Expenditure Budget By Strategy
July 1, 2021 - June 30, 2022

	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 PROPOSED BUDGET
PROPOSED FY2021-22 BUDGET - FIRST READING												
	FY 2021-22	FY 2021-22	FY 2021-22	FY 2021-22	FY 2021-22	FY 2021-22	FY 2021-22	FY 2021-22	FY 2021-22	FY 2021-22	FY 2021-22	FY 2021-22
Personnel Costs												
Salaries & Benefits	1,060,004	2,253,687	2,024,036	227,394	528,070	0	1,918,937	379,153	499,096	3,120,237	0	12,010,614
Program Contracts/Grants												
Contracts	1,926,496	578,696	1,497,365	234,000	2,991,930	200,000	247,800	256,847	95,000	760,731	678,391	9,467,256
Grants & Stipends	0	0	544,545	60,000	0	0	0	0	0	0	0	604,545
Professional Services*	0	60,000	15,000	26,605	10,000	0	0	45,000	0	75,000	0	231,605
Total Contracts/Grants	1,926,496	638,696	2,056,910	320,605	3,001,930	200,000	247,800	301,847	95,000	835,731	678,391	10,303,406
Program Operating Costs**	61,500	64,674	88,932	55,000	20,000	0	20,000	19,000	10,000	128,757	0	467,863
Infrastructure Costs	0	0	0	0	0	0	0	0	0	1,055,197	0	1,055,197
Total Direct Program Costs	3,048,000	2,957,057	4,169,878	602,999	3,550,000	200,000	2,186,737	700,000	604,096	5,139,922	678,391	23,837,080

First 5 Alameda County
Proposed Expenditure Budget by Expenditure Category
July 1, 2021 - June 30, 2022

Expenditures	Modified Budget FY 2021-22	1st Reading Proposed Budget FY 2021-22	Final Proposed Budget FY 2021-22	Variance between Budget Readings	Variance from Prior Year	Notes
Personnel Costs	\$10,822,478	\$11,641,866	\$12,010,614	\$368,748	11%	1
Program Contracts/Grants	\$10,890,757	\$9,238,938	\$9,625,015	\$386,077	-12%	2
Program Contracts/Grants - CRF	\$6,348,423	\$549,624	\$678,391	\$128,767	-89%	3
Program Operating Costs	\$1,135,156	\$467,239	\$467,863	\$624	-59%	4
Program Operating Costs - CRF	\$387,809	\$0	\$0	\$0	-100%	5
Infrastructure Costs	\$1,053,302	\$1,105,197	\$1,055,197	(\$50,000)	0%	6
TOTAL EXPENDITURES	\$30,637,925	\$23,002,864	\$23,837,080	\$834,216	-22%	

Notes:

Variance reflect changes in Expenditure Category costs, between the FY 2020-21 Modified Budget and the Proposed FY 2021-22 budget.

1. Personnel Costs

FY2021-22 proposed personnel costs include potential merit increases, COLA for 6 months, increased benefits costs and reflects staffing for organizational growth in key operations within Programs, Communications, Policy Planning & Evaluation and Administration Information & Technology strategies. Includes shifts between personnel, contracts and infrastructure due to new external funding in Early ID and QECE.

2. Program Contracts/Grants

FY2021-22 proposed contracts costs reflect reductions in external funding in QECE (IMPACT Incentive Layer one-time reward, ACOE QRIS 6 and CA Dept of Education QCC Block Grant) and Early ID (Aurrera Health Group). Includes new funding in QECE from CA Dept. of Social Services for Preschool Development, in Early ID from Alameda Alliance for Health for Help Me Grow, the temporary supplement of Prop 10 funds to support QECE through FY2021-22 and shifts between personnel, contracts and infrastructure to align programming activities.

3. Program Contracts/Grants - CRF

The reduction in the Community Resilience Fund (CRF) contract budget reflects prior year's one-time funding to support COVID-19 relief awards supported by Sunlight Giving, ACSSA, and Prop 10 sustainability to support COVID-19 activities. FY2021-22 contracts/grants budget includes extension of 6 school district contracts supported by Prop 10 sustainability funds, and two new awards supported by Sunlight Giving.

4. Program Operating Costs

FY2021-22 program operating costs reflect a reduction of one-time COVID-19 essential supplies budgeted in the Parent Engagement strategy.

5. Program Operating Costs - CRF

FY2021-22 program operating costs reduction reflect the prior year's one-time funding to support COVID-19 activities supported by ACSSA and Prop 10 sustainability funds for essential supplies purchases.

6. Infrastructure Costs

FY2021-22 infrastructure costs reflect minimal increase in cost of service vendors.



To: First 5 Alameda County Executive Committee

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

Date: June 17, 2021

Subject: FY 2021-30 Long Range Financial Plan – Final Reading

ACTION REQUESTED

To review the following FY 2021-30 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 has been a statutory requirement of all First 5 Commissions since 2006-07.

The current LRFP was formally approved by the Commission in June 2020. An update to the LRFP is included with underlying assumptions as well as historical background information. The update reflects the Proposed Budget for FY 2021-2030 and the most recent Prop 10 Tobacco Tax revenue forecast from the California Department of Finance that was received in May 2020. The first public reading of the revised Plan was held on April 22, 2021 with the second and final reading on June 24, 2021.

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, 2020 was \$35.6 million. However, this Fund may not be spent down to zero; some funds must be maintained as an operating reserve to cover ongoing cash flow requirements to act as a buffer since there are delays in receiving state tobacco tax revenues or other revenues. The policy is to maintain an amount in the Fund Balance, at a minimum, equal to six months of operating expenses plus an amount to cover fiscal obligations under the Reduction in Workforce Policy.

FISCAL IMPACT

There is no fiscal impact.

RECOMMENDATION

To review the following FY 2021-30 Long Range Financial Plan and to give feedback for clarification or changes in preparation for the Commission's second and final reading on June 24, 2021.

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



ASSUMPTIONS FOR THE REVISED LONG RANGE FINANCIAL PLAN

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

REVENUES

FY 2020-21 figures are from the original and revised budget approved in February 2021. For 2021-22 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 2020 for the period ending 2023-2024. 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 2021-2030.

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. 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	\$12.6m
2020-2021	\$11.9m	
2021-2022	\$11.7m	
2022-2023	\$11.1m	
2023-2024	\$10.7m	
2024-2025	\$10.4m	
2025-2026	\$9.8m	
2026-2027	\$9.4m	
2027-2028	\$9.1m	
2028-2029	\$8.8m	
2029-2030	\$8.5m	

Based on the above DoF projection for 2021-2022, the Long Range Financial Plan assumes a 1.6% decrease in tax revenue from the prior year. Moving forward beyond 2021-22, revenues are expected to continue decreasing at rates between approximately 5% and 3% per year through 2030. 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 -**

- Funding from First 5 California (IMPACT 2) – to support local QRIS work including rating and quality improvement in child care settings (\$1,049,000)
- Funding from First 5 California (IMPACT Incentive Layer) – to support local QRIS work (\$108,000)
- 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 (\$114,000)
- Funding from the projected AC Office of Education Block Grant 8 (\$444,000) to support Quality Rating Improvement Systems work
- Funding from the AC Office of Education to support the inclusive Early Learning Grant (\$135,000)
- AC Public Health Department funding for Help Me Grow (HMG) Linkage Line services (\$449,000)
- 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 the projected California Department of Education ECC QRIS Block Grant 4 (\$540,000)
- Funding from CA Department of Social Services to support a new Preschool Development Grant (\$78,700)

- **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 \$1.8 million. For the purposes of this LRF, it is assumed that programs eligible for MAA claiming will be reimbursed at this level through the 2021-22 budget year and may thereafter receive a lower reimbursement of \$1.5 million - \$1 million for FY 2022-30 based on the reduction of any MAA generating staff.

▪ **Grants –**

- Funding from the Children’s Council of San Francisco for the IMPACT Local Regional T/TA Hub (\$110,000)
- 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 (\$572,473)
- Funding from the Aurrera Health Group’s ACEs Aware grant through September 2021 (\$50,517)

- Funding from Sunlight Giving for general operating support (including carryover from prior years) and a new grant for COVID-19 activities (\$475,852)
- Funding from CA Wellness Foundation to support Fatherhood activities (\$45,000)

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

- **Investment Revenue** – The FY 2021-22 proposed budget assume \$450,000 of investment revenue due based on current year projections.
- **Miscellaneous Income** – Consists primarily of rental income from the First 5 Association.

EXPENSES

FY 2021-22 expenditure figures are from the current proposed budget process. For fiscal years 2021-30, total expenses have been reduced 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

The budgeted use of Prop 10 Sustainability Funds for FY 2021-22 is comprised of \$4.5 million to close the gap between revenue and projected expenses.

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 \$29 million at the end of the current 2020-21 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.

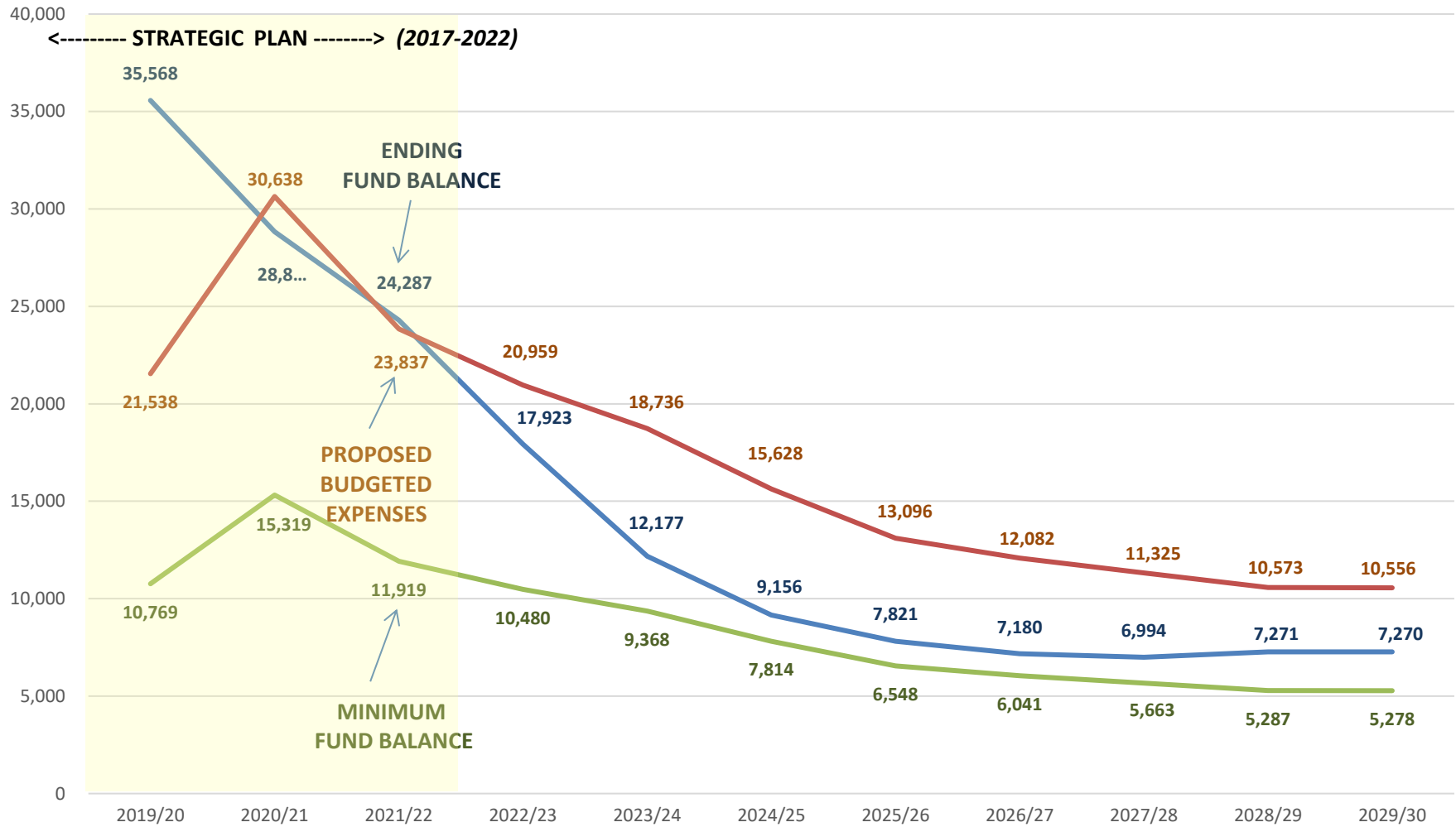
<u>Draw down from Sustainability for Operations (\$millions)</u>		
<u>Fiscal Year</u>	<u>Planned draw down</u>	<u>Actual amount drawn</u>
<u>FY 2009-2013 Strategic Plan</u>		
2009-10	\$6.9m	\$3.3m
2010-11	\$9.3m	\$6.7m ¹
2011-12	\$4.1m	\$0.8m
2012-13	\$9.0m	\$5.3m ²
<u>FY 2013-17 Strategic Plan</u>		
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	\$3.7m	\$0.0
2020-21	\$6.1m	-
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.

	2017 - 2022 Strategic Plan			2022 - 2027 Strategic Plan TBD					2027-2030 Strategic Plan TBD		
	Actual 2019/20	Modified Budget 2020/21	Proposed Budget 2021/22	2022/23	2023/24	Projections 2024/25	2025/26	2026/27	2027/28	Projections 2028/29	2029/30
<i>Dollars in Thousands</i>											
Beginning Fund Balance	35,727	35,568	28,823	24,287	17,923	12,177	9,156	7,821	7,180	6,994	7,271
REVENUES											
Prop 10 Tobacco Tax	12,672	11,267	11,765	11,161	10,754	10,479	10,165	9,860	9,564	9,277	8,999
Interagency Income - State											
- First 5 California (IMPACT & IMPACT 2)	1,970	973	1,049	975							
- First 5 California (IMPACT Incentive Layer)		659	108								
Interagency Income - County											
- ACBHCS (Parent Voices/ACEPC)	44	10									
- ACHCSA (Fathers Corps)	153	128	128								
- ACHCSA (Fatherhood Summit)	100										
- ACPHD/CA Wellness (Fatherhood Summit)	40										
- ACPHD (Data Systems Hosting and Maintenance)	20	108	114	108							
- ACPHD Home Visiting/PHOC	22	104									
- AC Office of Educ. (QRIS Block Grant 5)	51										
- AC Office of Educ. (QRIS Block Grant 6)	278	178									
- AC Office of Educ. (QRIS Block Grant 7)		444									
- AC Office of Educ. (QRIS Block Grant 8) projected			444								
- AC Office of Educ. (Inclusive Early Learning)	89	96	135	96	48						
Interagency Income - Federal Pass-through											
- ACPHD HMG Linkage Line	429	472	449	480	480	480	480	480	480	480	480
- ACPHD Dental Transformation (HTHC)	507	396									
- ACSSA (Navigation, Workforce Pilot, Comprehensive Child Dev)	700	718	718								
- ACSSA FCC Grants & Supplies		4,000									
- CA Dept. of Education (QCC QRIS Block Grant)	504										
- CA Dept. of Education (QCC QRIS Block Grant #2)	66	566									
- CA Dept. of Education (QCC QRIS Block Grant #3)		571									
- CA Dept. of Education (QCC QRIS Block Grant #4) projected			540								
- CA Dept. of Social Services (Preschool Development Grant)			79								
Other Grants											
- First 5 San Francisco/Children's Council of SF (T/TA Hub)	109	110	110								
- First 5 Association (Census 2020)	6										
- Alameda Alliance for Health		165	572								
- Aurrera Health Group		325	50								
- Sunlight Giving	200	355	475								
- CA Wellness Foundation (Fatherhood activities)	30		45								
- Packard Foundation	25	25									
- Connecticut Children's Medical Center	6	10									
- University of Chicago/Chapin Hall	3										
- Center for the Study of Social Policy	70	30									
Fiscal Leveraging											
- MediCal Administrative Activities (MAA)	1,570	1,500	1,850	1,500	1,500	1,500	1,000	1,000	1,000	1,000	1,000
Investment Income	1,598	375	450	255	188	128	96	82	75	73	76
Miscellaneous Income	116	308	220	20	20	20	20	20	20	20	0
TOTAL REVENUES	21,378	23,893	19,301	14,595	12,990	12,607	11,761	11,442	11,139	10,850	10,555
TOTAL EXPENSES	21,538	30,638	23,837	20,959	18,736	15,628	13,096	12,082	11,325	10,573	10,556
CASHFLOW											
Total Disbursements	21,538	30,638	23,837	20,959	18,736	15,628	13,096	12,082	11,325	10,573	10,556
(Shortfall)/Surplus Revenue over Expenses (Use of Sustainability Fund)	(159)	(6,745)	(4,536)	(6,364)	(5,746)	(3,021)	(1,335)	(640)	(186)	277	(1)
Prior Revenue Received											
Ending Fund Balance	35,568	28,823	24,287	17,923	12,177	9,156	7,821	7,180	6,994	7,271	7,270
MINIMUM FUND BALANCE REQUIRED (50% OR 6 Months of annual disbursement)	10,769	15,319	11,919	10,480	9,368	7,814	6,548	6,041	5,663	5,287	5,278

LONG RANGE FINANCIAL PLAN FY 2021-2030 BUDGET & FUND BALANCE (\$'000s)



Strategy	Contractor Name	Beginning Contract Term	Ending Contract Term	FY 2021-22 Amount	Description
Administration, Information & Technology	EightCloud	7/1/2021	6/30/2022	\$86,000	Funding to provide managed services support for HIGH5.
Administration, Information & Technology	Gallagher Benefit Service, Inc.	5/13/2021	12/31/2021	\$12,250	Funding to provide executive recruitment services.
Administration, Information & Technology	Hatchuel Tabernik & Associates	3/22/2021	6/30/2022	\$30,000	Funding to provide grant writing and fund development assistance to help ensure the sustainability of F5AC programs.
Administration, Information & Technology	Hickman Strategies, LLC	3/1/2021	12/31/2021	\$87,375	Funding to support First 5 Alameda County's strategic plan development.
Administration, Information & Technology	Jayne Williams	7/1/2021	6/30/2022	\$35,000	Funding to provide grant writing and fund development assistance to help ensure the sustainability of F5AC programs.
Administration, Information & Technology	Nleader	7/1/2020	6/30/2022	\$15,000	Funding to provide fiscal leveraging consultation on an as-needed basis.
Administration, Information & Technology	NP Solutions, Inc.	11/1/2021	6/30/2022	\$6,000	Funding to provide Abila MIP Fund Accounting software consulting services on an as-needed basis.
Administration, Information & Technology	Olson Remcho, LLC	7/1/2020	6/30/2022	\$30,000	Funding to provide legal services and consultation on an as-needed basis.
Administration, Information & Technology	RedCar IT Solutions, LLC	7/1/2021	6/30/2022	\$168,000	Funding to provide maintenance and operations support activities for the F5AC Application Suite (ECChange, ECC Online and Pathways).
Administration, Information & Technology	RS Associates	7/1/2021	6/30/2022	\$30,000	Funding to conduct an annual audit of the financial statement and single audit of applicable Federal expenditures of F5AC.
Administration, Information & Technology	TECHsperience	7/1/2021	6/30/2022	\$80,000	Funding to provide technology infrastructure support, server maintenance and back up.
Administration, Information & Technology	Wiley Price Radulovich	7/1/2021	6/30/2022	\$25,000	Funding to provide human resource legal services and consultation on an as-needed basis.
Communications	Andi Botto Graphic Design	7/1/2021	6/30/2022	\$10,000	Funding to design print and digital materials that support communications activities.
Communications	Crux Design	7/1/2021	6/30/2022	\$30,000	Funding to assist in the development, design, and maintenance of the AlamedaKids.org website and the maintenance of the First5Alameda.org website.
Communications	Full Court Press	7/1/2021	6/30/2022	\$65,000	Funding to develop communications strategies and materials to amplify the work of F5AC.
Community Resilience Fund	Alameda County Community Food Bank	7/1/2021	6/30/2022	\$32,000	Funding to support the Cherryland Elementary School Food Program via the Alameda County Food Bank as part of F5AC's COVID-19 relief efforts.
Community Resilience Fund	Eden United Church of Christ	8/1/2021	6/30/2022	\$38,000	Funding to purchase and distribute essential supplies as part of F5AC's COVID-19 relief efforts.
Early Identification	County of Alameda, Public Health Department	7/1/2021	6/30/2022	\$95,000	Funding to provide training, technical assistance and consultation support to Child Health and Disability Prevention (CHDP) and other pediatric practices serving families with the most need in Alameda County on early identification through standardized screening and referral pathways for children birth-5 years of age with health and developmental needs.
Early Identification	Family Resource Navigators	7/1/2021	6/30/2022	\$482,000	Funding to provide Help Me Grow Family Navigation services and support coordination and administration of Help Me Grow family leadership activities.
Early Identification	Renee Wachtel	7/1/2021	6/30/2022	\$1,500	Funding to deliver ACEs Aware training and consultation. The program will give Medi-Cal providers training, clinical protocols, and payment for screening children and adults for adverse childhood experiences ("ACEs").
Fatherhood	Arnold Chandler	7/1/2021	6/30/2022	\$35,000	Funding to plan and initiate the Fathers Corps 10-Year evaluation and report.

Strategy	Contractor Name	Beginning Contract Term	Ending Contract Term	FY 2021-22 Amount	Description
Fatherhood	LaNiece Jones	7/1/2021	6/30/2022	\$35,000	Funding to plan, coordinate, and execute activities related to hosting, promoting, and securing sponsorship for Dad-scussion sessions and the 2022 Fatherhood Summit for Alameda County fathers.
Fatherhood	Malcolm Wallace	7/1/2021	6/30/2022	\$12,000	Funding to maintain and administer the Fathers Corps' Diversity of Fatherhood Photo Bank, and to photograph fathers and their families at Fathers Corps photoshoots and events.
Fatherhood	Oakland Marriott	7/1/2021	6/30/2022	\$130,000	Funding to provide conference space, catering, and audio visual support to the 2022 Fatherhood Summit.
Fatherhood	The Olive Street Agency	7/1/2021	6/30/2022	\$25,000	Funding to produce high definition videos highlighting the Fathers Corps' programs and the 2022 Fatherhood Summit.
Innovation	All-In Strategies	7/1/2021	12/31/2021	\$30,000	Funding to provide change management, structure support and training to F5AC leadership.
Innovation	Focali Consulting, LLC	7/1/2021	6/30/2022	\$80,000	Funding to provide support to F5AC in its efforts to develop and launch a partnership with the Medi-Cal managed care plans in Alameda County to expand pediatric care coordination by leveraging Help Me Grow program infrastructure and FINDconnect.
Innovation	VIVA Social Impact Partners	4/1/2021	12/31/2021	\$60,000	Funding to provide support to prepare for the implementation planning of Measure C funding.
Neighborhoods Ready for School	DDG Training & Consultant	7/1/2021	6/30/2022	\$45,000	Funding to provide training, facilitation, coaching, workshop development, evaluation, and consultation for the Fatherhood Partnership, Alameda County Fathers Corps, and Training @ First 5.
Neighborhoods Ready for School	Help A Mother Out	7/1/2021	6/30/2022	\$50,000	Funding to support the evaluation of Help A Mother Out's Diaper Bank program.
Neighborhoods Ready for School	International Contact	7/1/2020	6/30/2022	\$50,000	Funding to provide language assistance services to F5AC programs and selected providers.
Neighborhoods Ready for School	Interpreters Unlimited	7/1/2020	6/30/2022	\$55,000	Funding to provide language assistance services to F5AC programs and selected providers.
Neighborhoods Ready for School	Lincoln	7/1/2021	6/30/2022	\$423,000	Funding to build infrastructure in neighborhoods in order 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.
Neighborhoods Ready for School	Lotus Bloom Resource Center	6/1/2021	6/30/2022	\$50,000	Funding to distribute basic needs funds to families with children 0-5 in Alameda County through the Oakland Family Resource Center Network.
Neighborhoods Ready for School	Lotus Bloom Resource Center	7/1/2021	6/30/2022	\$474,016	Funding to coordinate and implement programs and services at the Castlemont Community Room to Bloom Family Resource Center, facilitate the Oakland Family Resource Center Network, and conduct neighborhood outreach and family engagement activities.

Strategy	Contractor Name	Beginning Contract Term	Ending Contract Term	FY 2021-22 Amount	Description
Neighborhoods Ready for School	Lotus Bloom Resource Center	7/1/2021	6/30/2022	\$293,000	Funding to build infrastructure in the San Antonio neighborhood in order 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.
Neighborhoods Ready for School	New Haven Unified School District	7/1/2021	6/30/2022	\$423,000	Funding to build infrastructure in neighborhoods in order 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.
Neighborhoods Ready for School	Oakland Unified School District	7/1/2021	6/30/2022	\$227,000	Funding to support year round school readiness and transition programming, Summer Pre-K (SPK) programs and provide Early Childhood Education and K-12 teachers with professional development and orientation to the SPK model.
Neighborhoods Ready for School	Roots Community Health Center	7/1/2021	6/30/2022	\$423,000	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.
Neighborhoods Ready for School	Trybe, Inc.	7/1/2021	6/30/2022	\$130,000	Funding to build infrastructure in the San Antonio neighborhood in order 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.
Neighborhoods Ready for School	Youth Uprising	7/1/2021	6/30/2022	\$88,000	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.
Parent Engagement & Parent Support	Alameda Health System (Highland Hospital)	7/1/2021	6/30/2022	\$150,000	Funding to continue implementation of the Project DULCE model at Highland Hospital Pediatric Department including the support and guidance of an assigned pediatric physician who will serve as the program's Clinic Champion.
Parent Engagement & Parent Support	Alba Hernandez	7/1/2021	6/30/2022	\$10,000	Funding to provide Spanish language assistance services including interpretation and translation support to F5AC programs/strategies and selected providers.
Parent Engagement & Parent Support	BANANAS, Inc	7/1/2021	6/30/2022	\$100,000	Funding to implement the CARE Homeless Navigation pilot program.
Parent Engagement & Parent Support	East Bay Community Law Center	7/1/2021	6/30/2022	\$150,000	Funding to provide legal consultation and support to Highland Hospital Pediatric Department's DULCE Program Family Specialist and selected families.
Parent Engagement & Parent Support	Sol Barreto	7/1/2021	6/30/2022	\$10,000	Funding to provide language assistance services to F5AC programs and selected providers.
Parent Engagement & Parent Support	Teresa Matias	7/1/2021	6/30/2022	\$11,000	Funding to provide Mam language assistance services to F5AC programs and selected providers.
Parent Engagement & Parent Support	YMCA of the East Bay	7/1/2021	6/30/2022	\$538,000	Funding to train CalWORKS participants to become qualified and employed as early childhood professionals.

Strategy	Contractor Name	Beginning Contract Term	Ending Contract Term	FY 2021-22 Amount	Description
Parent Engagement & Parent Support	Youth Uprising	7/1/2021	6/30/2022	\$85,000	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.
Policy, Planning & Evaluation	Applied Survey Research	7/1/2021	6/30/2022	\$85,000	Funding to conduct Phase I of the kindergarten readiness assessment of children in Alameda County, with a targeted and generalizable sample.
Policy, Planning & Evaluation	Community Centered Evaluation and Research	11/1/2019	6/30/2022	\$80,000	Funding to conduct a cross-site evaluation of the NRFS strategy that will evaluate F5AC's investment, both financial and capacity building, in terms of neighborhood and family impact, sustainability, and policy and system changes.
Policy, Planning & Evaluation	Community Centered Evaluation and Research	7/1/2021	6/30/2022	\$91,750	Funding to conduct a Kindergarten Readiness Assessment.
Policy, Planning & Evaluation	Lucile Packard Children's Hospital Stanford	7/1/2021	6/30/2022	\$6,700	Funding to coordinate and facilitate the Special Needs Committee of Alameda County and provide policy consultation as requested.
Policy, Planning & Evaluation	Parent Voices Oakland	7/1/2021	6/30/2022	\$65,000	Funding to plan, coordinate and implement the Alameda County Early Childhood Policy Committee (ACEPC) including the Alameda County Spring Parent Forum, policy subcommittees, parent recruitment, leadership training and engagement activities.
Policy, Planning & Evaluation	University of Oregon	7/1/2021	6/30/2022	\$95,000	Funding to conduct a Kindergarten Readiness Assessment.
Quality Early Care & Education	Alameda Professional Child Care Association	7/1/2021	6/30/2022	\$10,000	Funding to provide opportunities and platforms for connecting with family child care providers and leadership to share critical communication, information and discuss how to meet arising needs in the field.
Quality Early Care & Education	BANANAS, Inc.	7/1/2021	6/30/2022	\$80,000	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.
Quality Early Care & Education	BANANAS, Inc.	7/1/2021	6/30/2022	\$260,000	Funding to provide professional development opportunities for the Early Childhood Education workforce in Alameda County and on-site technical assistance and coaching to Quality Rating and Improvement System (QRIS) sites.
Quality Early Care & Education	California School-Age Consortium (CalSAC)	7/1/2021	6/30/2022	\$402,000	Funding to provide non-CSPP Quality Counts grantees with funds for Quality Improvement grants. Funds will be used to make environment improvements, enhance training and staff release time, support technology needs, and support professional development activities.
Quality Early Care & Education	City of Alameda, Alameda Free Library	7/1/2021	6/30/2022	\$7,000	Funding to provide opportunities to support Family, Friend and Neighbor caregivers by leveraging existing programming such as story times, and the circulation/distribution of learning materials.
Quality Early Care & Education	City of Hayward, Hayward Public Library	7/1/2021	6/30/2022	\$4,800	Funding to provide opportunities to support Family, Friend and Neighbor caregivers by leveraging existing programming such as story times, and the circulation/distribution of learning materials.
Quality Early Care & Education	City of San Leandro, San Leandro Public Library	7/1/2021	6/30/2022	\$4,800	Funding to provide opportunities to support Family, Friend and Neighbor caregivers by leveraging existing programming such as story times, and the circulation/distribution of learning materials.

Strategy	Contractor Name	Beginning Contract Term	Ending Contract Term	FY 2021-22 Amount	Description
Quality Early Care & Education	Community Child Care Council (4Cs) of Alameda County	7/1/2021	6/30/2022	\$80,000	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.
Quality Early Care & Education	Community Child Care Council (4Cs) of Alameda County	7/1/2021	6/30/2022	\$260,000	Funding to provide professional development opportunities for the Early Childhood Education workforce in Alameda County and on-site technical assistance and coaching to Quality Rating and Improvement System (QRIS) sites.
Quality Early Care & Education	Early Quality Systems, LLC	7/1/2021	6/30/2022	\$121,500	Funding to support the hosting of a secure and fully managed (formerly iPinwheel) database system for Alameda County Quality Counts to manage the local QRIS.
Quality Early Care & Education	Friends of the Oakland Public Library	7/1/2021	6/30/2022	\$13,400	Funding to provide opportunities to support Family, Friend and Neighbor caregivers by leveraging existing programming such as story times, and the circulation/distribution of learning materials.
Quality Early Care & Education	Hively	7/1/2021	6/30/2022	\$80,000	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.
Quality Early Care & Education	Hively	7/1/2021	6/30/2022	\$110,000	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.
Quality Early Care & Education	Jewish Family & Community Services East Bay	7/1/2021	6/30/2022	\$25,000	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.
Quality Early Care & Education	Jewish Family & Community Services East Bay	7/1/2021	6/30/2022	\$140,000	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.
Quality Early Care & Education	Lakeshore Learning	7/1/2021	6/30/2022	\$65,000	Funding to provide literacy kits and backpacks for giveaway or rotation to partners serving Family, Friend and Neighbor providers.
Quality Early Care & Education	WestEd	7/1/2021	6/30/2022	\$165,100	Funding to provide valid and reliable CLASS and ERS assessments for CSPP early care and education programs participating in Quality Counts.
Training and Capacity Building	Arnold Chandler	7/1/2021	6/30/2022	\$10,000	Funding to provide training on topics related to the "Life Course Perspective", fatherhood, systemic racism and equity.
Training and Capacity Building	Ayana Labossiere Burks	7/1/2021	6/30/2022	\$11,000	Funding to provide coaching, facilitation and training on topics related to nutrition, self-care, and mental wellness for Parents and Caregivers at Roots Family Resource Center.
Training and Capacity Building	Briana Moore	7/1/2021	6/30/2022	\$10,000	Funding to provide training and consultation on topics related to trauma, secondary trauma, self-care, and building resilience for Early Childhood Providers, Parents, and Caregivers.
Training and Capacity Building	Chantal Dubuisson Mylmaki	7/1/2021	6/30/2022	\$10,000	Funding to provide training and consultation on topics related to parenting/caregiving of young children including but not limited to Positive Discipline, Social Emotional Development, and Cultural Considerations in Parenting Practices.
Training and Capacity Building	Community Financial Resources	7/1/2021	6/30/2022	\$8,000	Funding to provide financial wellness trainings to staff at Roots Community Health Clinic, as well as participants involved in the Roots Resiliency Cohort, consisting of East Oakland families with children ages 0-5.

Strategy	Contractor Name	Beginning Contract Term	Ending Contract Term	FY 2021-22 Amount	Description
Training and Capacity Building	DDG Training and Consulting	7/1/2021	6/30/2022	\$30,000	Funding to provide training and consultation on topics related to attachment, relationships, building resilience, social emotional development, race and equity for Early Childhood Providers, Parents, and Caregivers and facilitate Emotional Emancipation Circles.
Training and Capacity Building	Debora Roca	7/1/2021	6/30/2022	\$10,000	Funding to provide training in Spanish and consultation on topics related to parenting/caregiving of young children including but not limited to Positive Discipline, Social Emotional Development, and Cultural Considerations in Parenting Practices.
Training and Capacity Building	Deidre Goree	7/1/2021	6/30/2022	\$11,000	Funding to provide coaching, facilitation and training on topics related to coaching, trauma, secondary trauma, self-care, and building resilience for Parents and Caregivers.
Training and Capacity Building	Dr. Anita Smith	7/1/2021	6/30/2022	\$15,000	Funding to provide a Holy Names University continuing education course to the parents/caregivers participating in the West Oakland Zone of Excellence's Legacy and Learning Academy on topics including healthy development, intergenerational trauma, career readiness and career pathways.
Training and Capacity Building	Dr. Barbara Stroud	7/1/2021	6/30/2022	\$15,000	Funding to provide training, consultation and materials on topics related to attachment, relationships, building resilience, and social emotional development for Early Childhood Providers, Parents and Caregivers.
Training and Capacity Building	Global Learning Partners	7/1/2021	6/30/2022	\$8,000	Funding to develop a mobile micro-learning system for First 5 trainer Shawn Bryant's "Mind in the Making" Training and Train the Trainer series.
Training and Capacity Building	Housing and Economic Rights Advocates (HERA)	7/1/2021	6/30/2022	\$18,000	Funding to provide trainings for Early Childhood Providers, Parents, and Caregivers on topics related to basic financial wellness, housing discrimination, barriers to credit, estate planning, and debt collection.
Training and Capacity Building	Shawn Bryant	7/1/2021	6/30/2022	\$40,000	Funding to provide training and consultation for Early Childhood providers, parents, and caregivers on topics relating to child development, fatherhood, parenting, culture, trauma, race, equity, racism, gender, and service provisions to families of Alameda County.
Training and Capacity Building	Tandem	7/1/2021	6/30/2022	\$20,000	Funding to provide training to Early Childhood Providers, Parents, Resource Parents, and Caregivers working with young children birth to 5 years of age on topics related to child development, literacy, math, and kindergarten readiness skills.
Training and Capacity Building	Tanya Burrell	7/1/2021	6/30/2022	\$15,000	Funding to provide training for parents/caregivers with young children birth to 5 years old who are in the Roots Community Health Center's service area.

\$8,033,191 Total Proposed Contracts for FY 2021-2022



To: First 5 Alameda County Executive Committee

From: Christine Hom, Finance Officer

Date: June 17, 2021

Subject: GASB 54 Fund Balance Commitment

REQUESTED ACTION

To review and discuss the commitment of sustainability funds and to give feedback for clarification or changes in preparation for presentation to the Commission on June 24, 2021.

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 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 \$29 million in fund balance and will be reported in the audited financial statements as previously approved by the Commission in June 2020 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 \$11 million of net assets as of June 30, 2021, as "non-spendable" to maintain intact funds for Contracts, Grants and Pre-paid Expenses, in accordance with the FY 2021-22 budget that is up for adoption by the Commission on June 24, 2021.
2. To accept Staff's recommendation to "Assign" a portion of ending fund balance not exceeding \$18 million of net assets as of June 30, 2021, for budget stabilization (balancing the budget), in accordance with the Long Range Financial Plan to be adopted by the Commission on June 24, 2021. 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.



To: First 5 Alameda County Executive Committee

From: Mojgan Vijeh, Director of Operations & Technology

Date: June 17, 2021

Subject: FY 2021-2022 ACERA 401(h) Account Authorization

ACTION REQUESTED

That the Executive Committee review the resolution to fund the FY 2021-2022 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 2021-2022 (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 2021-2022 is \$61,606.39. The contribution per pay period is \$2,369.48 beginning with pay period 21-14.

FISCAL IMPACT

There is no fiscal impact.

RECOMMENDATION

That the Executive Committee recommend the approval of the FY 2021-2022 ACERA 401(h) account authorization by the Commission at their next meeting.

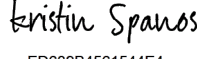
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Mojgan Vijeh
Director of Operations & Technology

Reviewed 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.

FISCAL IMPACT

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

Use of Fund Balance	Maximum Amount	GASB 54 Classification
FY 2021-22 budgeted Contracts, Grants and prepaid expenses	\$11 million	Nonspendable Fund Balance
Budget stabilization - Long Range Financial Plan	\$18 million	Assigned Fund Balance

RECOMMENDATION:

That the Executive Committee review and recommend the transfer and commitment of sustainability funds as outlined above to the Commission for approval at their next meeting on June 24, 2021.

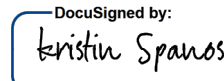
Submitted by:

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Christine Hom
 Finance Officer

Reviewed by:

DocuSigned by:

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Kristin Spanos
 Chief Executive Officer