



FIRST 5 ALAMEDA COUNTY COMMISSION MEETING AGENDA

Thursday, October 15, 2015

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

9:00 AM – 11:30 AM

Commissioners: Chair: Pamela Simms-Mackey M.D., Vice Chair: Ricky Choi, M.D., Alex Briscoe, Wilma Chan, Lori Cox, Cecilia Echeverria, Renee Herzfeld, Deborah Roderick Stark

- 1. Public Comment (for items not listed on the agenda) - Limited to 3 minutes per speaker**
- 2. Approval of Minutes from June 18, 2015**
- 3. Staff Announcements**

INFRASTRUCTURE

- 4. Election of Commission Vice Chair**
- 5. 2016 Commission Meeting Calendar**
- 6. F5AC Bylaws Revisions**
- 7. FY 2014-2015 Financial Audit Report**
- 8. Financial Policies Revisions**
- 9. Investment Policy Revisions**
- 10. Chandler Asset Management Presentation**
- 11. Contract Authorizations**

PROGRAM

- 12. FY 2014-15 State Annual Report Approval**
- 13. Father Friendly Principles Recommendation**
- 14. Parent Engagement Presentation**
- 15. State Commission and Association Updates**

Commission Meeting Agenda

October 15, 2015

Information about the First 5 Conference Center

- The First 5 Conference Center is wheelchair accessible. Please notify us 3 business days in advance if you need special assistance so we can make reasonable arrangements to ensure accessibility.
- Please refrain from wearing strongly scented products to the Conference Center in consideration of those who may experience chemical sensitivities.

16. **Legislation and Public Policy Updates**
17. **F5AC Comprehensive Tobacco Policy Update**

MISCELLANEOUS

18. **Communication from Commissioners**
19. **Adjournment**

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FIRST 5 ALAMEDA COUNTY COMMISSION MEETING MINUTES

Thursday, June 18, 2015

First 5 Alameda County
1115 Atlantic Ave.
Alameda, CA 94501
Conference Room A

9:00 AM – 11:30 AM

Commissioners: Chair: Pamela Simms-Mackey M.D., Vice Chair: Ricky Choi, M.D., Alex Briscoe, Wilma Chan, Renee Herzfeld

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

1. Public Comment (for items not listed on the agenda) - Limited to 3 minutes per speaker

There was no public comment.

Chair Simms-Mackey stated that the next several agenda items would be skipped due to there not being a voting quorum present. Once additional Commissioners arrived, the actions items would be returned to.

2. Staff Announcements (formerly Agenda Item 3)

Janis Burger, CEO, announced the hiring of Kristin Spanos to the new COO position. Ms. Spanos gave a brief description of her previous employment and stated that she is excited to start her work with First 5.

3. State Commission and Association Updates (formerly Agenda Item 14)

Ms. Burger shared the following updates with the Commission:

- A survey has been sent out to all Commissioners on behalf of the First 5 Association. Ms. Burger requested that Commissioners respond if they haven't already. The Association will use the responses to build the network of Commissioners across the state.
- The First 5 Association has developed a new intranet; she encouraged all Commissioners and staff to sign up to receive updates on program and policy information.
- F5AC is waiting for more information on the First 5 CA's new funding stream called IMPACT which is essentially a continuation of the Cares PLUS program and would represent an increase in funding for F5AC. Once the RFQ is released, F5AC will submit an application.
- The CA state QRIS block grant was released as a pass through to the Alameda County Office of Education.

4. Legislation and Public Policy Updates (formerly Agenda Item 15)

Ms. Burger updated the Commission on status of several early childhood legislative bills and where F5 AC is taking a position including AB50 the home visiting bill and SB591 the tobacco tax which includes backfill for Prop 10. Chair Simms-Mackey asked about the status of the e-cigarette bill. Ms. Burger responded that the bill has passed through the Senate and is currently in the Assembly. She added that we are supporting the bill through the F5 Association but noted that if it passes it will still need to be incorporated in to the Prop 10 legislation.

5. Hayward Unified School District Summer Pre-Kindergarten Study (formerly Agenda Item 11)

Chris Hwang presented the evolution of Hayward Unified School District's (HUSD) summer Kinderbridge program. She noted that in the last year they had piloted a three week program and the study was focused only on Hayward based kids and looked at kindergarten readiness skills. She noted that children in HUSD are struggling with language skills and added that a larger study size would be needed in order to evaluate the 3-week model against the 5-week model.

Dr. Michelle Perez, representing Hayward Unified School District, noted that she had worked with teachers to build a pre and post kindergarten skills assessment to test the children in order to measure their progress. She stated that previously Applied Survey Research had teachers hold off for 10 weeks before sending out the Kindergarten Observation Form (KOF). They have now changed the program to release the KOF at the beginning of the program. Ms. Hwang also noted that the community was found to have a large influence on student attendance in the Kinderbridge program. Ms. Burger added that it should be noted that programs such as Kinderbridge are continually adapted to meet shifts in the community.

Chair Simms-Mackey asked if the proficiency statistics evaluated language skills in all languages or only in English. Ms. Hwang answered that the children are evaluated based on their home language, primarily Spanish, if the teacher has foreign language skills. If the teachers do not, the evaluation is skipped.

Ms. Perez thanked F5AC for all the work and support for the children in the SPK program.

6. The David and Lucile Packard Foundation funded Oakland Starting Smart and Strong Initiative (formerly Agenda Item 12)

Malia Ramler introduced Jeff Sunshine and Andrea Youngdahl, representing the Packard Foundation, Ray Mondragon, representing Oakland Unified School District, and Susan True, representing the Rainin Foundation.

Jeff Sunshine stated that Oakland Starting Smart and Strong Initiative is a 10 year place based initiative designed to increase the quality of interactions for all kids 0-5 to prepare them for Kindergarten. They are currently working in three domains including Fresno, Oakland and East San Jose. The initiative is a framework to include all programs to create a system of care.

Ms. Youngdahl presented the four pillars of the initiative: 1. Testing Professional Development and Training Models, 2. Testing New Approaches to Support Informal Care Givers and Parent Engagement, 3. Working to Ensure Healthy Child Development through Access Universal Screenings and 4. Infrastructure and Sustainability.

Mr. Mondragon presented the subsections of each pillar. Commissioner Chan asked what the overall funding commitment was for OUSD's early care program. Mr. Mondragon responded that the Superintendent is committed to the work being done and the district is contributing along with the state funds being received for early childhood.

Susan True presented on the Rainin Foundation's focus and their four areas of concentration in education: 1. Investing in Our Grants Programs, 2. Outcomes, 3. Build an Early Childhood Ecosystem, and 4. Inform the Field through Research.

Commissioner Briscoe thanked the group for their presentation and suggested that there might be a match for funding via public partnerships.

Ms. Youngdahl announced that there is an empty seat on the monthly planning meetings and any Commissioner assistance in filling it would be appreciated.

Commissioner Herzfeld asked what programs exist to reach informal caregivers and to inform the parent engagement section. Ms. Youngdahl answered that they are working with Angela Louie Howard at Lotus Bloom to convene family resource providers to learn what parents' concerns are. The Glenn Price Group is also conducting research on mapping informal caregiving.

Ms. Ramler explained First 5's role in OUSD and involvement in the Oakland Starting Smart and Strong Initiative. She noted that in the second pillar Lisa Erickson, Early Childhood Strategies Coordinator, is working with a school readiness coordinator for three of the schools. She further stated that F5AC has a large investment in OUSD which has allowed us to leverage Race to the Top funding, QRIS block grant funding, AB212 funding, and the First 5 Cares Plus funding to help the district. Ms. Ramler stated that they would like the Commission's input on who would be beneficial to attend as a member of their monthly meeting.

Commissioner Briscoe stated that it would be helpful to map the multiple agency investments in OUSD. Ms. Ramler agreed and added that this is a great opportunity to pull down additional funds for Pre-K services.

Commissioner Choi thanked everyone for their presentation. He asked for an explanation of the overall scope of the program. Mr. Sunshine answered that for the scope the best application was found to be in OUSD which has the best established systems in place. He stated that while the community in Oakland is diverse most families will eventually filter through OUSD and added that the challenge is evaluating the links that feed into OUSD and how to improve the quality of services.

Commissioner Chan noted that this was a good starting position to track what occurs when children enter preschool at about age three. Ms. Burger added they are trying to build a continuum of care from home visiting closed cases to provide ongoing support.

Commissioner Herzfeld asked how they plan to account for families who are using informal caregivers in parent engagement and how to include that information. Ms. Youngdahl noted that another resource and referral (R&R) agency had volunteered to be responsible for the informal caregiver information. Ms. Ramler added that they would like to ask their R&R partners to identify where the 65% of the vouchers that are used in licensed care exist so that they can be invited to access quality improvement resources. Ms. Ramler thanked the presenters for their time and information.

7. Approval of Minutes from April 23, 2015 (formerly Agenda Item 2)

Commission Action: The Commission approved the April 23, 2015 minutes upon motion by Commissioner Herzfeld, seconded by Commissioner Briscoe, and unanimously carried with no abstentions.

CONSENT

8. ACERA 401(h) Approval (formerly Agenda Item 4)

9. GASB 54 Fund Balance Commitment (formerly Agenda Item 5)

10. Personnel Policies Revisions (formerly Agenda Item 6)

Commission Action: The Commission approved the ACERA 401(h) Approval, GASB 54 Fund Balance Commitment, and Personnel Policies Revisions upon motion by Commissioner Herzfeld, seconded by Commissioner Choi, and unanimously carried with no abstentions.

INFRASTRUCTURE

11. 2nd Reading and Final Approval of FY 2015-17 Budget Recommendation (formerly Agenda Item 7)

Mr. Rasiah stated that the first reading occurred at the April 23, 2015 Commission Meeting. He noted that there have been minimal changes to the budget and the total budget is 21.3 million dollars for the 3rd year of the strategic plan. The budget covers the three main strategies: Provider and Capacity Building, Continuum of Care and Linkages, and Evaluation and Technology, as well as Policy Advocacy and Communications, Administration and Awards Management included in the document. The Commission thanked Mr. Rasiah for his clear presentation.

Commission Action: The Commission approved the 2nd Reading and Final Approval of FY 2015-17 Budget Recommendation upon motion by Commissioner Briscoe, seconded by Commissioner Choi, and unanimously carried with no abstentions.

12. 2nd Reading and Final Approval of Long Range Financial Plan (formerly Agenda Item 8)

Mr. Rasiah stated that the Long Range Financial Plan covers the next ten years, FY 2015 – 2025, along with information prior to 2015. Revenue has been received as expected while the funding balance will be declining due to Prop 10 taxes declining by 3.5 %. He noted that there are no new changes to the Long Range Financial Plan.

Commission Action: The Commission approved the 2nd Reading and Final Approval of Long Range Financial Plan upon motion by Commissioner Briscoe, seconded by Commissioner Herzfeld, and unanimously carried with no abstentions.

13. FY 2015-16 and 2015-17 Awards (formerly Agenda Item 9)

Chair Simms-Mackey stated that public comment would be heard for this agenda item and reminded the public that they had 3 minutes to speak.

Cherise Northcutt of A Better Way, presented public comment and spoke about the organization and the work done in the Castlemont corridor. She noted the amazing work being done for young children. She explained the work being done by A Better Way with First 5 funding and added that they are expanding Parent Cafes to address parenting challenges. Commissioner Briscoe asked if A Better Way utilized Parent Partners. Ms. Northcutt confirmed that they do and Commissioner Briscoe added that First 5 should be moving towards having Parent Partners as a part of their contracts with these programs.

David Channer of A Better Way, presented public comment and confirmed that they do have parent participation written into their contracts and thanked First 5 for their contract. He noted the work moves towards a more family friendly environment and added that the parent cafe framework is extremely powerful and the model will help strengthen the Castlemont corridor and the rest of the system of care.

Henry Hitz of Oakland Parents Together, presented public comment and stated that A Better Way's contract did not go through an RFP or RFQ process and was made through a sole source contract agreement by First 5 with A Better Way without consultation with parents and does not include Oakland Parents Together. He requested that it not be approved today and instead be reviewed with First 5 staff, A Better Way and Oakland Parents Together to remake a new contract. He would like the contract to be reviewed to consider the wishes of the parents.

Arlene Travis, on behalf of Oakland Parents Together, presented public comment in support of Parent Cafes. She shared the benefits both she and her daughter have experienced through the Parent Cafés. She expressed concern that the Cafes might be taken away and expressed her wish to have them continue.

Harold Spikes, on behalf of Oakland Parents Together, presented public comment on behalf of Parent Cafes. He expressed his appreciation for the creation of the Parent Cafes and praised Henry and Kwame for their work on the Cafes. He shared that the Café had given him insight into his family and the world of women. He added that parents need the Cafes in order to teach parents how to listen and talk to their kids and to build understanding and strong families.

Kwame Nitoto of Oakland Parents Together, presented public comment and thanked First 5 for working with Oakland Parents Together in building the Parent Cafes. He spoke to the strength of the Parent Cafes and expressed the hope that the Cafés would continue and stay strong even if Oakland Parents Together is not a part of the Cafes. He stated that he will continue to support it and thanked fellow collaborators.

Flor Chavez, on behalf of Oakland Parents Together, presented public comment on the Parent Cafes. She spoke about the benefits, for her, of attending Parent Cafes. She noted that the contract covers children 0-5 and that all families come to the Cafes to build a community. She thanked Oakland Parents Together members for their work and for the community they've built that has allowed open communication and attendance by others outside of the direct family. She urged the Commission to take another look at the contract.

Che, on behalf of Oakland Parents Together, presented public comment on the Parent Cafes. She shared the length of time that she has been involved with the Parent Cafes and noted the warm welcoming environment that exists in the Cafes. She added that it also helped improve her Spanish language skills.

She added that the Cafes are a chance for the parents to think about discussion topics and to feel supported. She expressed thanks for the Parent Cafes.

Carla Keener, Senior Administrator, thanked the parents for being present and giving public comment. She noted that their presence spoke to the power of the Cafés and provided reassurance that the Cafes would still be occurring in the frequency and locations they were currently being offered. Ms. Keener assured the Commission and attendees that the contract and funding requirements were adhering to F5AC requirements.

Mr. Briscoe asked for why the contract awardee had changed. Ms. Burger explained that there were previously issues with compliance with the service provider. She explained that this was not a quick decision and Ms. Keener confirmed that the Cafes would continue.

Christine Hom, Contracts and Grants Administrator, presented the awards for approval. She noted that the list of awards does not include the 36 FY 2015-17 community grants previously approved but does include two previous approved grants with name changes. She also noted that the list of awards does not include existing awards beginning in FY 2014-2015 that extend beyond next year or the year after. Ms. Hom added that because contracts are approved throughout the year that this list represents only a portion of the contracts for the year.

Commission Action: The Commission approved the following contracts upon motion by Commissioner Briscoe, seconded by Commissioner Choi, and unanimously carried (5 in favor, 0 opposed, 0 abstained).

- Andrea Youngdahl
- Better World Advertising
- Chabot College
- Crux Design
- Dr. Barbara Stroud
- Dr. Ross Thompson
- First 5 Association
- Fremont Unified School District
- Fremont/Newark YMCA
- Health Reach
- International Contact
- Jewish Family & Children's Services of the East Bay
- Kadija Johnston
- Las Positas College
- Lucile Packard Children's Hospital (Pediatric Screening and outreach)
- Lucile Packard Children's Hospital (Policy implementation around screening and referrals)
- Merritt College
- Non Profit Technologies, Inc.
- Oakland Unified School District (QRIS support for preschool sites)
- Oakland Unified School District (Summer Pre K and professional development)
- Public Consulting Group, Inc. (Application Enhancements)
- Public Consulting Group, Inc. (Maintenance and Operations Services)
- Rackspace
- Remcho, Johansen & Purcell, LLP
- RS Associates Auditors
- WestEd (QRIS site assessments)
- WestEd (CSEFEL training)

- Wiley, Price & Radulovich, LLP
- Xantrion
- Your Message Media

Commission Action: The Commission approved the following contracts upon motion by Commissioner Briscoe, seconded by Commissioner Chan, and unanimously carried with Commissioner Herzfeld abstaining (4 in favor, 0 opposed, 1 abstained).

- Child Care Links
- Community Child Care Council (4Cs) of Alameda County
- Kidango
- Lotus Bloom Child & Family Resource Center
- Low Income Investment Fund
- Melinda Martin
- Parent Voices (ACECPC coordination)
- Parent Voices (Coordinate parent recruitment and engagement)
- Tandem (Raising A Reader, San Francisco And Alameda Counties)

Commission Action: The Commission approved the following contract upon motion by Commissioner Briscoe, seconded by Commissioner Chan, and unanimously carried with Commissioner Choi abstaining (4 in favor, 0 opposed, 1 abstained).

- Asian Community Mental Health Services

Commission Action: The Commission approved the following contract upon motion by Commissioner Choi, seconded by Chair Simms-Mackey, and unanimously carried with Commissioner Chan, Commissioner Herzfeld, and Commissioner Briscoe abstaining (2 in favor, 0 opposed, 3 abstained).

- Alameda County General Services Agency (Early Care and Education Planning Council)

Commission Action: The Commission approved the following contracts upon motion by Commissioner Herzfeld, seconded by Commissioner Choi, and unanimously carried with Commissioner Chan and Commissioner Briscoe abstaining (3 in favor, 0 opposed, 2 abstained).

- Alameda County Public Health Department (home visiting)
- Alameda County Public Health Department (Training and T/ A to CHDP pediatric sites)

Commission Action: The Commission approved the following contracts upon motion by Commissioner Chan, seconded by Commissioner Herzfeld, and unanimously carried with Chair Simms-Mackey abstaining (4 in favor, 0 opposed, 1 abstained).

- A Better Way
- Better Health East Bay Foundation (Alta Bates Summit Foundation)
- Regents of the University of California (UC Berkeley Center for the Study of Childcare Employment)

Commission Action: The Commission approved the following contracts upon motion by Commissioner Chan, seconded by Commissioner Choi, and unanimously carried with Chair Simms-Mackey and Commissioner Herzfeld abstaining (3 in favor, 0 opposed, 2 abstained).

- BANANAS, Inc.
- BANANAS, Inc. (for Family Resource Network)

Commission Action: The Commission approved the following contracts upon motion by Commissioner Chan, seconded by Commissioner Briscoe, and unanimously carried with Chair Simms-Mackey and Vice Chair Choi abstaining (3 in favor, 0 opposed, 2 abstained).

- UCSF Benioff Children's Hospital Oakland (Harris program cohort)
- UCSF Benioff Children's Hospital Oakland (Community consultation for Latino families)

PROGRAM

14. 2nd Reading and Final Approval of FY 2015-16 Strategic Plan Recommendation (formerly Agenda Item 10)

Ms. Burger presented the Strategic Plan Recommendation. She noted that there were only minor changes with updates to the financials which were addressed in the final approval of the budget.

Commission Action: The Commission approved the 2nd Reading and Final Approval of the FY 2015-16 Strategic Plan Recommendation upon motion by Chair Simms-Mackey, seconded by Commissioner Choi, and unanimously carried (5 in favor, 0 opposed, 0 abstained).

15. First 5 Alameda County Advocacy Policy Approval (formerly Agenda Item 13)

Ms. Burger presented a request for First 5 staff to be allowed to send out letters of support that are aligned with the F5AC strategic plan. She noted that at times there isn't time to request Commission approval and requests need to be responded to on a timely basis.

Commissioner Briscoe asked if it would go out under Ms. Burger's signature which Ms. Burger confirmed. Chair Simms-Mackey asked that the Commission be given an informational email of what was sent out, which was confirmed by Ms. Burger. Ms. Burger noted a few of the letters of support that had been sent out including those in support of AB50, AB833 and AB1117. She noted that a tracking sheet would be updated and sent out to the Commission.

Commissioner Chan added that if there is a situation where there is significant opposition from our partners we should hold off on sending out a letter of support and Ms. Burger agreed.

Mr. Briscoe noted that County departments do not take a position on issues unless it has approved by the Board. Ms. Burger noted that she serves on the Advocacy Committee of the First 5 Association and that issues are also thoroughly vetted by the First 5 Association.

Chair Simms-Mackey asked that an informational email be sent out to Commissioners with a 24 hour deliberation period with the ability for Commissioners to reply, only to Ms. Burger, if there is an issue. After 24 hours, the letter of support will be considered without objection. This piece will be added to F5AC's advocacy policy.

Commission Action: The Commission approved the First 5 Alameda County Advocacy Policy (with the agreed upon addendum) upon motion by Commissioner Briscoe, seconded by Commissioner Choi, and unanimously carried with no abstentions.

MISCELLANEOUS

16. Communication from Commissioners

Ms. Burger asked the Commission to confirm the cancellation of the August Executive Committee and Commission meetings. The Commission confirmed the cancellation.

17. Adjournment

The meeting was adjourned at 11:32 am.



To: First 5 Alameda County Commission

From: Janis Burger, Chief Executive Officer

Date: October 15th, 2015

Subject: Adoption of FY 2014-15 Audit

REQUESTED ACTION

To review and adopt the FY 2014-15 audit.

BACKGROUND

It is a requirement of the Proposition 10 legislation and First 5 California that each First 5 county commission complete an annual audit by October 15 and submit a report to First 5 California and the State Controllers Office by November 1.

The annual audit of the financial statements and the compliance audit (Expanded Audit) have been completed and the opinion from the auditor is unqualified. There were no findings. The audit firm of RS Associates will present the audit to the full Commission on October 15th. Ms. Ragini Singh, principal auditor, will present.

The audit process included internal controls testing of each area, and auditing as described:

- a. Audit cash disbursements, including appropriate documentation and authorization; including a comprehensive review of grants and contracts
- b. Audit Payroll, tying to general ledger, timesheets, I-9s, offer letters;
- c. Audit Revenues, including sending confirmation letters;
- d. Audit receivables from Prop 10 tobacco tax and other receivables
- e. Audit of accrued liabilities and confirmation of subsequent payments
- f. Audit of cash receipts
- g. Audit each account on the general ledger, starting with balance then audit of detailed transactions (the general ledger chart of accounts is attached) within the account.

- h. Audit bank reconciliations
- i. Confirm cash in County Treasury and investments with money managers
- j. Audit Prepaid expense accounts
- k. Audit of Accrued vacation
- l. Audit of all expense accounts and analysis of variances
- m. Audit of investment disclosure
- n. Audit Lease disclosure
- o. Preparation of Restricted Funds presentation
- p. Audit of Fixed Assets and preparation of schedule
- q. Review of Retirement Disclosure
- r. Development of Year-end Financial Statements
- s. Expanded compliance audit (related to SB 35 and AB 109)
 - i. Contracting and procurement
 - ii. Administrative costs
 - iii. Conflict of interest
 - iv. County ordinance
 - v. Long range financial plan
 - vi. Financial condition of the commission
 - vii. Program evaluation
 - viii. Salaries and benefits policies

The sections of the audit package are as follows.

- Independent auditors report
- Management Discussion and Analysis:
 - ◆ Financial highlights
 - ◆ Comparative information from 2013-14
 - ◆ List of conditions that will affect First 5's future financial situation
- Statement of Net Assets: shows total assets as of June 30
- Statement of Activities
- Balance Sheet: show total liabilities and fund balance
- Reconciliation of Balance to Net Assets: shows reconciliation of items that are not reported in the Balance Sheet but are reported in the Net Assets

- Statement of Revenues, Expenditures and Changes in Fund Balance: show the specific year-end revenue and expenses in 2014-15.
- Reconciliation: reconciles items shown in one schedule but not in another
- Budget to Actual: shows original budget, final budget, actual expenses and variance. This is perhaps the most useful schedule for Commissioners.
- Notes to Financial Statements:
 - ◆ First 5 has prepared an investment disclosure consistent with GASB 40 requirements. Note 2 contains this disclosure.
 - ◆ Note 6 is a requirement of the Expanded Audit and discloses the cost of Evaluation for 2014-15.
- Supplementary Schedule of Revenue and Expenditures by Fund Source
- Independent auditors report on internal controls
- Independent auditors report on state compliance
- Status of prior year findings (there were no findings)

FISCAL IMPACT

The total cost of the FY 2014-15 audit is \$18,300, paid to RS Associates. There is no additional fiscal impact as all of the funds are currently budgeted.

RECOMMENDATION

That the Commission review and adopt the FY 2014-15 audit.

Submitted by:

Reviewed by:

 Janis Burger
 Chief Executive Officer

 Mark R. Rasiah
 Financial Controller

FIRST 5 ALAMEDA COUNTY
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED JUNE 30, 2015

DRAFT

FIRST 5 ALAMEDA COUNTY
JUNE 30, 2015

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
First 5 Alameda County
Alameda, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of the First 5 Alameda County, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the First 5 Alameda County as of June 30, 2015, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in the notes to the financial statements, the First 5 Alameda County implemented the provisions of Governmental Accounting Standards Board Statement No.68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

The schedule of revenue and expenditures by fund source and fund balance of CCFC funds for First 5 Programs is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such

information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

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

San Ramon, California

DRAFT

**FIRST 5 ALAMEDA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

This Management's Discussion & Analysis is intended to serve as a narrative overview and analysis of the financial activities of First 5 Alameda County for the year ended June 30, 2015. The information presented should be read in conjunction with the information furnished in the financial statements and notes to the financial statements (beginning on page 10).

FINANCIAL HIGHLIGHTS

- At the end of the Fiscal Year (FY) 2014-2015, First 5 Alameda County had assets of \$44.8 million and liabilities of \$10.4 million. The assets consist primarily of \$30.8 million in cash and investments, \$4.9 million in other assets, and free hold land and building at a net cost of \$4.9 million. Total liabilities consist primarily of \$4.0 million in accounts payable and accrued liabilities and \$5.7 million in net pension liability, resulting in a net position of \$36.0 million which was available to meet First 5 Alameda County's ongoing operating expenses.
- During 2014-15, First 5 Alameda County revenues were approximately \$18.1 million, representing a marginal decrease over the prior year. Total expenditure was \$19.6 million compared to \$17.1 million in the prior year.
- Revenue from the Proposition 10 tobacco tax measure was \$13.3 million, an increase of nearly \$0.2 million over the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

STATEMENT OF NET POSITION

The net position of First 5 Alameda County decreased by approximately \$4.7 million from the prior year. The composition of net position as of June 30, 2015 and 2014 is shown in the following table:

(All Amounts in \$millions)	<u>FY 2015</u>	<u>FY 2014</u>	<u>Change</u>
Cash and investments	\$ 30.8	\$ 30.5	\$ 0.3
Receivables	3.9	3.6	0.3
Prepaid expenses	0.1	-	0.1
Other Assets – Philanthropic Ventures	5.0	5.0	-
Capital assets (Net)	5.0	5.1	(0.1)
	<hr/>	<hr/>	<hr/>
Total assets	44.8	44.2	0.6
	<hr/>	<hr/>	<hr/>
Deferred Outflows	2.2	-	2.2
Accrued payroll & employee benefits	0.7	0.6	0.1
Other accrued liabilities	4.0	2.8	1.2
Net pension liability	5.7	-	5.7
	<hr/>	<hr/>	<hr/>
Total liabilities	10.4	3.4	7.0
	<hr/>	<hr/>	<hr/>
Deferred Inflows	0.5	-	0.5
Net position	\$ 36.1	\$ 40.8	\$ (4.7)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Total assets include \$5 million deposited with Philanthropic Ventures Foundation, under a collaborative partnership designed to explore opportunities for raising matching grants for First 5 Alameda County programs. The partnership was not extended beyond FY 2014-15 and all deposits were reinvested in our investment account with Chandler Asset Management in July 2015. Capital assets primarily represent the value of the new office building at 1115 Atlantic Avenue in Alameda at cost net of depreciation.

Fiscal year 2014-2015 is the ninth full year of investment of funds outside of the Alameda County Treasury's investment pool. The fair market value of these investments was \$29.8 million as of June 30, 2015, compared with \$25.8 million in 2014. During FY 2014-2015 fees charged by money managers and custodial services totaled \$34,887 compared to \$33,591 in the prior year, an increase of \$1,296. Recent economic indicators show that the economic recovery has stabilized

somewhat and that the national unemployment rate is near 5.1%. This bodes well for future performance of the portfolio. Investment Earnings increased from \$386,816 in 2013-2014 to \$315,526 in FY 2014-2015, a decrease of \$71,290 mainly due to lower yields.

Receivables primarily consist of Prop 10 tobacco taxes for May and June 2015, that are typically received after the end of the fiscal year. While total assets were slightly higher than in the prior year, total liabilities increased substantially by nearly \$7.0 million. This increase, was not unexpected, and was primarily driven by the recognition of our net pension liabilities amounting to \$5.7 million, in accordance with the reporting requirements of Governmental Accounting Standards (GASB 68) that became effective in FY 2014-15. The net pension liability was based on an actuarial valuation of pension plan assets and liabilities and was provided by Alameda County Employee Retirement Association (ACERA), which administers our pension plan. Deferred inflows and outflows relate to the net pension liability of \$5.7 million that was recognized in the current fiscal period in accordance with GASB 68. This liability reduces the net position as of the end of the fiscal year but has no effect on fund balance. The notes to the financial statement provide a full accounting of all deferred inflows and out flows related to this liability.

STATEMENT OF ACTIVITIES

During the year ended June 30, 2015, First 5 Alameda County's net position decreased by approximately \$4.7 million from the prior year. This change in net position is shown in the following table:

(All Amounts In \$millions)	<u>FY 2015</u>	<u>FY 2014</u>	<u>Change</u>
Total program revenues	\$ 5.3	\$ 4.8	\$ 0.5
Total program expenses	20.0	17.1	(2.9)
Program loss	(14.7)	(12.3)	(2.4)
General revenues	13.7	13.6	0.1
Change in net position	(1.0)	1.3	(2.3)
Net position, beginning of year	37.0*	39.6	(2.6)
Net position, end of year	\$ 36.0	\$ 40.8	\$ (4.8)

* Adjusted for pension liability

Program Revenues include: \$939,000 for MediCal Administrative Activities (MAA); \$56,500 from the Packard Foundation; \$100,000 from the Koshland Family Foundation; \$470,250 from the Long Foundation; \$1.1 million from inter-agency sources within Alameda County; \$245,920 for CARES Plus and \$1.8 million from federal sources. MAA reimbursements for FY 13-14 were

invoiced earlier this year and are expected in FY 2015-16 due to processing delays at the State Department of Health Care Services.

FY 2014-15 represents the second year of the current 4-year strategic plan, which resulted in a strategic realignment of programs. Total Program Expenses were higher by \$2.9 million from the prior year. Total General Revenues increased marginally by \$0.1 million. Prop 10 tobacco tax revenues although higher by \$0.1 million over the prior year, are expected to decline by 2.5%-3.5% annually for the foreseeable future. Tobacco taxes are allocated to counties in proportion to the number of births in each county. In addition to the Alameda County birth rate, Tobacco tax allocations are affected by a variety of factors including statewide tobacco sales, tax collection methods, and birth rate changes in the other counties.

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

At mid-year, the Commission authorized an increase of \$510,000 to the operating budget resulting in a final budget of \$20,475,000.

COMPARISON OF BUDGET TO ACTUAL

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

(All Amounts in \$millions)

	<u>Final Budget</u>	<u>Actuals</u>	<u>Variance**</u>
Revenues:			
Prop 10 Tobacco tax	\$ 13.1	\$ 13.3	\$ 0.2
Sustainability fund	2.4	0	(2.4)
Interagency income	1.4	1.1	(0.3)
Grants	2.3	3.3	1.0
Fiscal leveraging	0.9	0	(0.9)
Investment income	0.4	0.3	(0.1)
Total revenues	\$ 20.5	\$ 18.0	\$ (2.5)
Expenditures:			
	<u>Budget</u>	<u>Actuals</u>	<u>Savings</u>
Personnel	\$ 6.6	\$ 6.3	0.3
Program contracts/grants/MOUs	12.7	12.4	0.3
Operating expenses	0.5	0.3	0.2
General expenses	0.7	0.5	0.2
Total expenditures	\$ 20.5	\$ 19.5	\$ 1.0
Excess of expenditures over revenues	\$ -	\$ (1.5)	\$ (1.5)

** Note: Revenue shortfalls are shown within parenthesis as negative variances. Cost savings and higher than budgeted revenues are shown as positive variances.

The final budget anticipated a drawdown of \$2.45million from the Sustainability Fund for FY 2014-2015 for Operations. However, largely due to savings in expenditures, the Sustainability Fund was only tapped for \$1.5 million. The Sustainability Fund is First 5 Alameda County's reserve fund which was set aside to cover expenditures and future costs as the expected decline of tobacco tax revenue occurs.

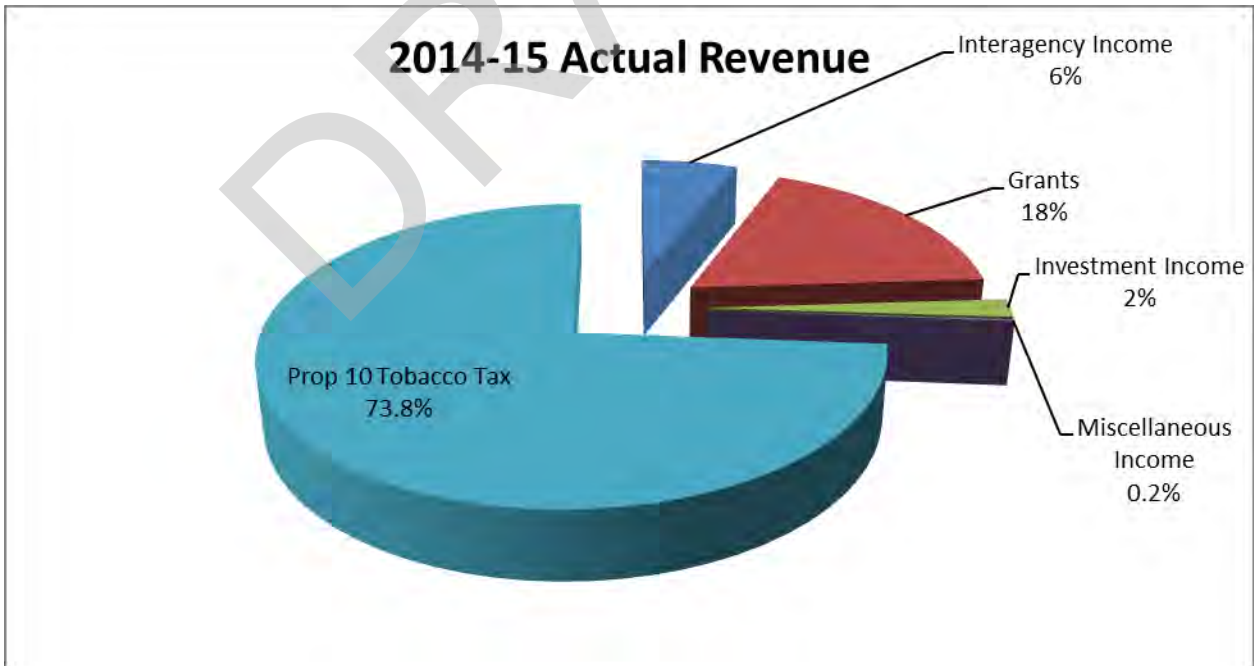
Fiscal leveraging of \$939,000 reflects MAA (MediCal Administrative Activities) reimbursements for FY 2013-2014. Investment income was budgeted at \$400,000 and \$315,526 was reported, a difference of \$84,474 under budget. See further discussion of investments on page 2.

Personnel Salary and Benefits were budgeted at \$6.6 million and actual expenses were \$6.3 million, a saving of nearly \$0.3 million or about 4.5 % below projections. This was mainly due to open positions and periodic vacancies that occurred in FY 2014-15.

Program Contracts/Grants/MOUs were budgeted at \$12.7 million whereas actual expenses were \$12.4 million, a saving of \$0.3 million. Expenses in the prior year were \$9.8 million.

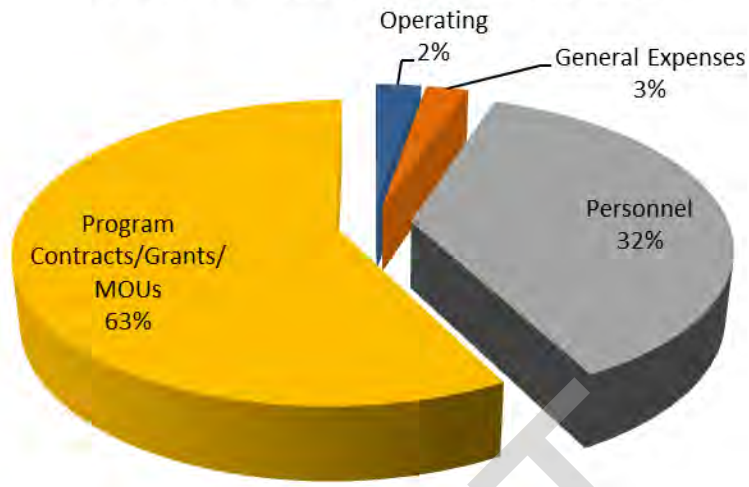
Following are graphs of First 5 Alameda County's revenue by source and expenditures by category for 2014-2015

REVENUES BY SOURCES



EXPENDITURES BY CATEGORIES

2014-15 Actual Expenditures



SUMMARY OF KNOWN FACTS, DECISIONS OR CONDITIONS

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

Tobacco tax receipts for First 5 Alameda County for fiscal year 2014-2015 remained steady at FY 2013-14 levels. The State of California Department of Finance projects tobacco tax revenues to continue to decline at an annual average rate of 2.5%-3.5% over the 2015-2017 time frame.

An increase in Alameda County Employees' Retirement Association employer contribution rate has resulted in an increase in First 5 Alameda County benefits expenses as well as continued increase in employee health insurance premiums.

First 5 Alameda County completed a four year strategic plan in December 2012 that covers the period from July 2013 through June 2017. The Strategic Plan includes nine core strategies that integrate the many different services and supports focused on specific target populations and outcomes. Due to the projected decline in tobacco tax revenues, program reductions are planned for FY 2017-18.

All of the above factors were considered in preparing First 5 Alameda County's budget for fiscal year 2015-2016.

REQUESTS FOR INFORMATION

The annual financial report is designed to provide a general overview of the First 5 Alameda County's finances and operations. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Janis Burger
Chief Executive Officer

First 5 Alameda County
1115 Atlantic Ave.
Alameda, CA 94501

**FIRST 5 ALAMEDA COUNTY
STATEMENT OF NET POSITION
JUNE 30, 2015**

Assets:

Cash and investments (Note 2)	\$	30,852,952
Tobacco taxes receivable		2,219,842
Other receivables		1,588,501
Interest receivable		68,311
Prepaid expenses		78,777
Capital assets, net (Note 3)		4,988,764
Other assets (Note 7)		<u>4,991,822</u>

Total assets		<u>44,788,969</u>
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Deferred outflows of resources		<u>2,210,079</u>
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Total deferred outflows of resources		<u>2,210,079</u>
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Liabilities:

Accrued payroll		187,351
Employee benefits payable		188,980
Accrued vacation		304,672
Accounts payable and accrued liabilities		4,045,939
Net pension liability		<u>5,674,306</u>

Total liabilities		<u>10,401,248</u>
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Deferred inflows of resources		<u>542,113</u>
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Total deferred inflows of resources		<u>542,113</u>
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Net position:

Invested in capital assets		4,988,764
Unrestricted		<u>31,066,923</u>

Total net position	\$	<u><u>36,055,687</u></u>
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The accompanying notes are an integral part of these financial statements

**FIRST 5 ALAMEDA COUNTY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u> Operating Grants and Contributions	<u>Net</u> Expenses
Governmental activities:			
Continuum of Care & Linkages	\$ 9,544,399	\$ 3,456,147	\$ (6,088,252)
Provider Capacity Building	7,131,721	1,776,547	(5,355,174)
Policy, Advocacy & Communications	762,745		(762,745)
Evaluation and Technology	1,006,950	115,752	(891,198)
Administration	<u>1,600,387</u>	<u>16,860</u>	<u>(1,583,527)</u>
Total governmental activities	<u>\$ 20,046,202</u>	<u>\$ 5,365,306</u>	<u>(14,680,896)</u>
General revenues:			
Tobacco tax			13,294,341
Investment earnings			315,526
Miscellaneous			<u>42,669</u>
Total general revenues			<u>13,652,536</u>
Change in net position			(1,028,360)
Net position - beginning (Note 9)			<u>37,084,047</u>
Net position - ending			<u>\$ 36,055,687</u>

The accompanying notes are an integral part of these financial statements

**FIRST 5 ALAMEDA COUNTY
BALANCE SHEET - GOVERNMENTAL FUND
JUNE 30, 2015**

Assets:

Cash and investments	\$ 30,852,952
Tobacco taxes receivable	2,219,842
Interest receivable	68,311
Other receivables	1,588,501
Other assets	4,991,822
Prepaid expenses	<u>78,777</u>

Total assets	<u>39,800,205</u>
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Total assets and deferred outflows of resources	<u>\$ 39,800,205</u>
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Liabilities:

Accrued payroll	\$ 187,351
Payroll taxes and employee benefits payable	188,980
Accounts payable and accrued liabilities	<u>4,045,939</u>

Total liabilities	<u>4,422,270</u>
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Deferred inflows of resources	
Unavailable revenue	<u>939,000</u>

Fund balance:

Nonspendable:	
Non-spendable	78,777
Committed:	
Program contracts	12,705,516
Assigned	21,654,642

Total fund balance	<u>34,438,935</u>
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Total liabilities, deferred inflows of resources and fund balance	<u>\$ 39,800,205</u>
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The accompanying notes are an integral part of these financial statements

FIRST 5 ALAMEDA COUNTY
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2015

Total governmental fund balance	\$	34,438,935
Amounts reported in governmental activities in the statement of net position are different because:		
Accrued vacation not treated as an expenditure in governmental funds		(304,672)
Some liabilities, including net pension obligations, are not due and payable in the current period and therefore are not reported in the funds		(5,674,306)
Revenues which are deferred inflows on the fund financial statements because they are not currently available, are reported as revenue in the Government-wide Statement of Activities		939,000
Deferred outflows and inflows or resources related to pensions are applicable to future periods and therefore, are not reported in the funds		
Deferred outflows of resources related to pensions.		2,210,079
Deferred inflows of resources related to pensions		(542,113)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund.		<u>4,988,764</u>
Total net position - governmental activities	\$	<u><u>36,055,687</u></u>

The accompanying notes are an integral part of these financial statements

FIRST 5 ALAMEDA COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2015

REVENUES:

Prop 10 Tobacco tax	\$ 13,294,341
Interagency income	1,104,188
Grants:	
Federal	1,844,448
State	245,920
Private	1,231,750
Investment income	315,526
Miscellaneous income	42,669
Total revenues	<u>18,078,842</u>

EXPENDITURES:

Personnel:	
Salaries	4,295,722
Benefits	2,029,625
Sub-total	<u>6,325,347</u>
Program Contracts/Grants/MOU's:	
Contracts	10,546,094
Grants	1,647,087
Child development corps stipends	-
Training stipends	140,025
Professional services contracts	94,653
Sub-total	<u>12,427,859</u>
Training expenses:	
Copy/printing	36,415
Food/hospitality	44,352
Space rental	-
Honoraria	12,725
Postage	10,466
Professional services	25,565
Supplies	111,260
Travel	47,806
Employee cell phones	8,954
Staff development/training	28,856
Sub-total	<u>326,399</u>
General expenses:	
Communications	99,127
Copying/printing	12,349
Equipment purchase	75,247
Equipment leases/rentals/maintenance	75
Postage	5,338
Insurance	67,908
Membership	22,607
Professional services	131,400
Utilities	41,886
Janitorial services	35,827
Dues and taxes	17,901
Maintenance	17,901
Supplies	2,107
Sub-total	<u>529,673</u>
Total expenditures	<u>19,609,278</u>
Net change in fund balance	(1,530,436)
Fund balance - beginning of year	<u>35,969,371</u>
Fund balance - end of year	<u>\$ 34,438,935</u>

The accompanying notes are an integral part of these financial statements

FIRST 5 ALAMEDA COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

Net change in governmental fund balance	\$ (1,530,436)
Amounts reported in governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the depreciation exceeds the capital outlays in the current period.	(158,995)
Earned revenues which are deferred on the fund financial statements because they are not currently available, are reported as revenue.	939,000
Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefit earned net of employee contributions is reported as pension expense	(286,959)
Change in compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	<u>9,030</u>
Change in net position of governmental activities	\$ <u><u>(1,028,360)</u></u>

The accompanying notes are an integral part of these financial statements

FIRST 5 ALAMEDA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available within the current period or soon enough thereafter to pay

FIRST 5 ALAMEDA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

liabilities of the current period. First 5 Alameda County uses a 60-day availability period for revenue recognition for all governmental fund revenues. All revenues are considered susceptible to accrual. Revenues include fiscal leveraging which consists of revenue from federal Title 19 funds for services to people who are eligible for or who receive Medi-Cal. Revenue is provided on a reimbursement basis for programs with eligible activities. Federal funding sources include Medi-Cal Administrative Activities (MAA). Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

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

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

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

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

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

FIRST 5 ALAMEDA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

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

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

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

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

Unavailable Revenue – Under the modified accrual basis of accounting, revenue is recognized in the fund financial statements if it has been collected after year-end within the Commission’s established availability period of 60 days. All other accrued revenues due to the Commission are recognized as unavailable revenue at year – end in the fund financial statements. Governmental funds recognized unavailable revenue where receivables are not available to liquidate liabilities of the current period. Unavailable revenues of \$939,000 was recognized as revenue in the government wide financial statements.

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

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

**FIRST 5 ALAMEDA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 2: CASH AND INVESTMENTS

The following is a summary of deposits and investments as of June 30, 2015:

	<u>Investment Maturities in Years</u>		<u>Total Fair Value</u>	<u>Moody's Credit Rating</u>	<u>Portfolio Allocation</u>
	<u>Less than 1</u>	<u>1-5</u>			
Cash and cash deposits:	\$	\$	\$ 1,033,355	Not rated	3%
Investments:					
Investment in County pool	4,121,995		4,121,995	Not rated	13%
Money market mutual funds	208,677		208,677	Aaa	1%
Commercial papers	259,740		259,740	See below	1%
U.S. Treasury obligations	511,964	3,956,444	4,468,408	Aaa	14%
Federal agency securities		13,131,413	13,131,413	Aaa	43%
Corporate bonds and notes	992,225	6,637,139	7,629,364	See below	25%
 Total investments	 \$ 6,094,601	 \$ 23,724,996	 29,819,597		 <u>97%</u>
Total cash and investments			\$ 30,852,952		<u>100%</u>

The commercial papers were rated by Moody's as June 30, 2015 as follows:

P1	\$ 259,740
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The corporate bonds and notes were rated by Moody's at June 30, 2015 as follows:

A1	\$ 2,107,807
A2	1,85,0267
Aa1	342,415
Aa2	241,520
Aa3	1,522,773
Aaa	1,068,299
NR	<u>496,283</u>
	<u>\$ 7,629,364</u>

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

FIRST 5 ALAMEDA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

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

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

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

- Collateralized mortgage obligations
- Domestic corporate bonds and notes
- Negotiable certificates of deposit
- Bankers’ acceptances
- Commercial paper
- Repurchase agreements
- Reverse repurchase agreements
- State of California obligations
- Local agency obligations
- Any other obligation that does not bear the full faith and credit of the U.S. government or which is not fully collateralized or insured.

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

FIRST 5 ALAMEDA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. First 5 Alameda County’s investment policy limits the amount that may be invested in the securities of any one issuer to five percent of the portfolio, except for securities of the U.S. Treasury.

First 5 Alameda County has \$4,121,995 invested in the County of Alameda Treasurer’s investment pool at June 30, 2015. The County’s investment policy limits the investment maximum average maturity to two years;. Authorized investments include debts issued by the County; U.S. Treasury securities; bankers’ acceptances; federal, state and local government securities; commercial paper; medium-term corporate notes; negotiable certificates of deposit; state investment pool (Local Agency Investment Fund); money market and mutual funds; mortgage-backed obligations; repurchase agreements; and reverse repurchase agreements. Additional information regarding deposit custodial credit, interest and credit risks, and securities lending transactions of the County investment pool is presented in the notes of the County’s basic financial statements.

Custodial Credit Risk for Deposits – Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities in the possession of an outside party. The Organization places its cash and investments with credit worthy and high quality financial institutions. Cash balance is insured by Federal Deposit Insurance Corporation (FDIC) upto \$250,000. At June 30, 2015. The bank balance of First 5 Alameda County’s bank deposit exceeded FDIC’s insurance limit by \$1,444,199.

FIRST 5 ALAMEDA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 3: CAPITAL ASSETS

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

	Balance June 30, 2014	Increases	Decreases	Balance June 30, 2015
Capital assets not being depreciated:				
Land	\$ 1,096,265	\$ _____	\$ _____	\$ 1,096,265
Total capital assets not being depreciated:	1,096,265	_____	_____	1,096,265
Capital assets being depreciated:				
Building	4,148,408			4,148,408
Furniture and equipment	249,694	24,796		274,490
Total capital assets being depreciated:	4,398,102	24,796		4,422,898
Less accumulated depreciation for:				
Building	175,993	150,851		326,844
Furniture and Equipment	170,615	32,940		203,555
Total accumulated depreciation	346,608	183,791		530,399
Total capital assets being Depreciated, net	4,051,494	(158,995)		3,892,499
Total capital assets, net	\$ 5,147,759	\$ (158,995)	\$ _____	4,988,764

Depreciation expense for the year ended June 30, 2015 was \$183,791

NOTE 4: RETIREMENT PLAN

A: Plan Description

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

**FIRST 5 ALAMEDA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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

All full-time regular First 5 Alameda County employees are required by statute to become members of ACERA. Membership for these employees is effective on the first day of the second pay period following the employee's hire date. Safety membership includes employees who are in active law enforcement, probation officers and juvenile hall counselors. General membership includes all other eligible classifications. As of June 30, 2015, 61 First 5 Alameda County employees are members of ACERA, and all members are General members.

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

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

The Tiers and their basic provisions are listed below:

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

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

The member may elect an unmodified retirement allowance, or choose an optional retirement allowance. The unmodified retirement allowance provides the highest monthly benefit and a 60% continuance to an eligible surviving spouse to domestic partner. There are four optional retirement

FIRST 5 ALAMEDA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

allowances the members may choose. Each of the optional retirement allowances requires a reduction in the unmodified retirement allowance in order to allow the member the ability to provide certain benefits to a surviving spouse, domestic partner, or names beneficiary having an insurable interest in the life of the member.

Contributions – The participating agencies contribute to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from ACERA’s actuary after the completion of the annual actuarial valuation. The average employer contribution rate as of December 31, 2014 was 24.04% of compensation.

Members are required to make contributions to ACERA regardless of the retirement plan or tier in which they are included. The average member contribution rate as of December 31, 2014 was 8.99% of compensation.

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

As of December 31, 2014, First 5 Alameda County reported net pension liabilities for its proportionate shares of the net pension liability as follows:

	\$	Proportionate Share of Net Pension Liability 5,6774,306
General		

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

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

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

The reporting date and the measurement date for the plan under GASB 67 are December 31, 2014. Consistent with the provisions of GASB 68, the assets and liabilities measured as of December 31, 2014 are not adjusted or “rolled forward” to the June 30, 2015 reporting date. Other results such as the total deferred inflows and outflows would also be allocated on the same proportionate share determined above. First 5 Alameda County’s proportionate share of the net pension liability for the plan as of December 31, 2013 and 2014 was as follows:

Proportion – December 31, 2013	0.387%
Proportion – December 31, 2014	0.321%

FIRST 5 ALAMEDA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

For the year ended June 30, 2015, First 5 Alameda County recognized pension expense of \$1,040,425. At June 30, 2015, First 5 Alameda County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 385,752	\$
Change in assumptions	1,464,837	
Net difference between projected and actual earnings on pension plan investments	359,490	
Changes in proportion and differences between employer's contributions and proportionate share of contributions.		(230,957)
Difference between expected and actual experience in the Total Pension Liability		(311,156)
	<hr/>	<hr/>
Total	\$ <u>2,210,079</u>	\$ <u>(542,113)</u>

\$385,752 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ended June 30,	
2016	\$ 287,035
2017	287,035
2018	287,035
2019	287,035
2020	134,074

C: Actuarial Assumptions – The total pension liabilities as of December 31, 2014 was measured by an actuarial valuation as of December 31, 2013. The following actuarial assumptions were applied to all periods included in the measurement:

Valuation Date	December 31, 2013
Measurement Date	December 31, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount rate	7.6%
Inflation	3.25%
Salary Increases	4.5% to 7.45%, vary by service including inflation
Investment rate of return	7.6%, net of pension plan investment expense, including inflation.

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

FIRST 5 ALAMEDA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Discount rate: The discount rate used to measure the total pension liability was 7.6% as of December 31, 2014 and 7.8% as of December 31, 2013. ACERA's understanding is that Article 5.5 of the Statute, which authorizes the allocation of 50% of excess earnings to the SRBR, does not allow for the use of a different investment return assumption for funding than is used for interest crediting. In order to reflect the provisions of Article 5.5, ACERA has treated future allocations to the SRBR as an additional outflow against the plan's Fiduciary Net Position in the GASB crossover test.

The projection of cash flows used to determine the discount rate assumes plan member contributions will be made at the current member contribution rates, and that employer contributions will be made at rates equal to the actuarially determined contribution rates plus additional future contributions that would follow from the future allocation of excess earnings to the SRBR. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future members are not included. Based on those assumptions, the pension plan's Fiduciary Net position was projected to be available to make all the projected future benefit payments for current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability as of both December 31, 2014 and December 31, 2013.

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

Asset Class	Target Allocation	Long Term (Arithmetic) Expected Real Rate of Return
Domestic Large Cap Equity	25.60%	5.91%
Domestic Small Cap Equity	6.40%	6.47%
Developed International Equity	20.25%	6.88%
Emerging Market Equity	6.75%	8.24%
U.S. Core Fixed Income	11.25%	0.73%
High Yield Bonds	1.50%	2.67%
International Bonds	2.25%	0.42%
Real Estate	6.00%	4.95%
Commodities	2.00%	4.25%
Absolute Return (Hedge Fund)	7.50%	3.17%
Real Return	3.00%	0.70%
Private Equity	7.50%	11.94%
Total	100%	

FIRST 5 ALAMEDA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Sensitivity of the Net Pension Liability to changes in the discount rate – The following represents the Net Pension liability of ACERA as of December 31, 2014 which is allocated to all employers, calculated using the discount rate of 7.60% as well as what ACERA’s Net Pension Liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.6%) or 1-percentage point higher (8.60%) than the current rate.

1% Decrease	6.60%
Net Pension Liability	\$9,306,550
Current Discount Rate	7.50%
Net Pension Liability	\$5,674,306
1% Increase	8.60%
Net Pension Liability	\$2,635,621

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

E: Payable to the Pension Plan

At June 30, 2015, First 5 Alameda County reported a payable of \$67,988, for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2015.

NOTE 5: COMMITMENTS AND CONTINGENT LIABILITIES

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

First 5 Alameda County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. First 5 Alameda County has purchased commercial insurance coverage for general liability, workers’ compensation, employee liability; fidelity, and property coverage. There were no settlements or claims during the year ended June 30, 2015.

**FIRST 5 ALAMEDA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 6: PROGRAM EVALUATION COSTS

First 5 Alameda County spent \$1,006,950 on program evaluation during year ended June 30, 2015.

NOTE 7: OTHER ASSETS

During the fiscal year 2013-14, First 5 Alameda County entered into a strategic collaboration agreement under which \$5 million was invested with Philanthropic Ventures Foundation (PVF) in a donor advised fund and establish the First 5 Alameda County Fund. The objective of the Fund was to leverage matching donor funds for programs at First 5. At June 30, 2015, balance of the investment after administrative fees incurred during the fiscal year was \$4,991,822. PVF invests all monies held in donor advised funds in money market accounts. Any and all interest earned in conjunction with the fund accrues to the fund. PVF's administrative fee is .5% of donations and thereafter .5% per annum. First 5 Alameda County withdrew the entire funds invested with Philanthropic Ventures in July 2015 and invested it in its own funds.

NOTE 8: RELATED PARTY TRANSACTIONS

The legally required composition of First 5 Alameda County includes a County Supervisor, Directors of County agencies and representatives of agencies and constituencies concerned with children. Many of the programs funded by the Commission are operated by organizations represented by Commissioners. Commissioners may abstain from voting on issues and participating in discussions directly related to their respective organizations. The following table shows those contracts awarded from the fiscal year 2014-15 to agencies represented by Commissioners:

<u>Contracts</u>	<u>Contract Amount</u>
Children's Hospital and Research Center at Oakland	\$ 326,310
4 Cs of Alameda County	815,000
Asian Health Services	120,000
Alameda County Health Care Services Agency	<u>93,000</u>
	<u>\$ 1,354,310</u>

NOTE 9: PRIOR PERIOD ADJUSTMENT

Beginning net position as previously reported at June 30, 2014	\$	40,803,428
Prior period adjustment – implementation of GASB 68: Net pension liability (measurement date)		(4,116,118)
Deferred Outflows – First 5 Alameda County’s contribution made during fiscal year 2014		<u>396,737</u>
	\$	<u>37,084,047</u>

NOTE 10: EVALUATION OF SUBSEQUENT EVENTS

The management of First 5 Alameda County reviewed the results of operations for the period of time from its year end June 30, 2015 through _____, 2015, the date the financial statements were available to be issued and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

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REQUIRED SUPPLEMENTARY INFORMATION

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**FIRST 5 ALAMEDA COUNTY
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES:				
Prop 10 Tobacco tax	\$ 13,036,117	\$ 13,036,117	\$ 13,294,341	\$ 258,224
Sustainability fund	2,042,042	2,352,042		(2,352,042)
Interagency income	1,431,596	1,431,596	1,104,188	(327,408)
Grants:				
Federal	1,418,378	1,418,378	1,844,448	426,070
State	279,117	279,117	245,920	(33,197)
Private	637,750	637,750	1,231,750	594,000
Sub-total	<u>2,335,245</u>	<u>2,335,245</u>	<u>3,322,118</u>	<u>986,873</u>
Fiscal Leveraging:				
Medi-Cal Administrative Activities (MAA)	700,000	900,000		(900,000)
Investment income	400,000	400,000	315,526	(84,474)
Miscellaneous income	20,000	20,000	42,669	22,669
Total revenues	<u>19,965,000</u>	<u>20,475,000</u>	<u>18,078,842</u>	<u>(2,396,158)</u>
EXPENDITURES:				
Personnel:				
Salaries	4,401,621	4,410,360	4,295,722	114,638
Benefits	2,200,812	2,205,072	2,029,625	175,447
Sub-total	<u>6,602,433</u>	<u>6,615,432</u>	<u>6,325,347</u>	<u>290,085</u>
Program Contracts/Grants/MOU's:				
Contracts	10,030,317	10,444,125	10,546,094	(101,969)
Grants	1,990,700	2,006,000	1,787,112	218,888
Professional services contracts	224,950	234,950	94,653	140,297
Sub-total	<u>12,245,967</u>	<u>12,685,075</u>	<u>12,427,859</u>	<u>257,216</u>
Training expenses:				
Copy/printing	18,000	31,000	36,415	(5,415)
Equipment			-	-
Food/Hospitality	52,375	52,375	44,352	8,023
Honoraria	53,000	68,000	12,725	55,275
Postage	7,000	7,000	10,466	(3,466)
Professional services	98,900	88,900	25,565	63,335
Supplies	183,660	162,053	111,260	50,793
Travel	32,945	35,945	47,806	(11,861)
Employee cell phone	15,100	15,100	8,954	6,146
Staff development/training	25,500	25,500	28,856	(3,356)
Sub-total	<u>486,480</u>	<u>485,873</u>	<u>326,399</u>	<u>159,474</u>
General expenses:				
Communications	100,000	100,000	99,127	873
Copying/printing	30,000	30,000	12,349	17,651
Equipment purchase	75,000	75,000	75,247	(247)
Equipment leases/rentals/maintenance	3,000	3,000	75	2,925
Postage	10,000	10,000	5,338	4,662
Insurance	95,000	95,000	67,908	27,092
Membership	24,000	24,000	22,607	1,393
Professional services	170,120	228,620	131,400	97,220
Utilities	42,000	42,000	41,886	114
Janitorial services	36,000	36,000	35,827	173
Dues and taxes	18,000	18,000	17,901	99
Maintenance	24,000	24,000	17,901	6,099
Supplies	3,000	3,000	2,107	893
Sub-total	<u>630,120</u>	<u>688,620</u>	<u>529,673</u>	<u>158,947</u>
Total expenditures	<u>19,965,000</u>	<u>20,475,000</u>	<u>19,609,278</u>	<u>865,722</u>
Net change in fund balance	\$ <u> </u>	\$ <u> </u>	\$ <u>(1,530,436)</u>	\$ <u>(1,530,436)</u>

The accompanying notes are an integral part of these financial statements

**FIRST 5 ALAMEDA COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

NOTE TO THE BUDGETARY DATA

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

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

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**FIRST 5 ALAMEDA COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

		2015
Proportion of the net pension liability		0.326%
Proportionate share of the Net Pension Liability	\$	5,674,306
Covered – employer payroll	\$	3,957,401
Proportionate share of the Net Pension liability as a percentage of covered-employee payroll		143.38%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability		81.06%

Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

**FIRST 5 ALAMEDA COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

SCHEDULE OF CONTRIBUTIONS

		2015
Contractually required contribution (actuarially determined)	\$	764,451
Contributions in relation to the actuarially determined contribution	\$	764,451
Contribution deficiency (excess)		764,451
Covered – employer payroll	\$	3,957,401
Contribution as a percentage of covered employee payroll		19.32%

Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

Notes to schedule:

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

Valuation Date	Actuarially determined contribution rates for the first six months of Calendar year 2014 are calculated based on the December 31, 2012 valuation. Actuarially determined contribution rates for the last six months of calendar year 2014 are calculated based on the December 31, 2013 valuation.
Actuarial Cost Method	Entry-Age Actuarial Cost Method
Amortization method	Level percentage of payroll
Remaining amortization period	Prior to January 1, 2012 the total UAAL was amortized over a 30-year decreasing period, with 18 years remaining as of December 31, 2014. On or after January 1, 2012 any new UAAL resulting from plan amendments are amortized over separate decreasing 15- year periods; early retirement incentive programs are amortized over separate decreasing 5 year period; assumption and method changes are amortized over separate decreasing 15-year periods; and experience gain/losses are also amortized over separate decreasing 20-year periods.

**FIRST 5 ALAMEDA COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

Asset Valuation method	The actuarial value of assets is determined by recognizing any difference between the actual and the expected market return over 10 six-month interest crediting periods. The actuarial value of assets is further adjusted, if necessary, to be within 40% of the market value of assets.
Inflation	3.50%
Salary Increases	4.6% to 7.20%, vary by service including inflation.
Investment rate of return	7.8%, net of pension plan investment expense, including inflation.
Retirement age	60 years
Mortality	RP-2000 Combined Healthy Mortality table

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SUPPLEMENTARY INFORMATION

FIRST 5 ALAMEDA COUNTY
SCHEDULE OF REVENUES AND EXPENDITURES BY FUND SOURCE AND FUND BALANCE OF CCFC
FUNDS FOR FIRST 5 PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2015

		<u>CARES PLUS</u>
REVENUE:		<u>CCFC Funds</u>
Retention Incentives - Child Development Corps	\$	<u>245,920</u>
Total revenues		<u>245,920</u>
EXPENDITURES - Current:		
Salaries and employee benefits		
Salaries and employee benefits		33,279
Other		<u>212,641</u>
Total expenditures		<u>245,920</u>
Excess of revenues over expenditures		
Beginning fund balance		<u> </u>
Ending fund balance	\$	<u><u> </u></u>

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

Board of Commissioners
First 5 Alameda County
Alameda, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, major fund of First 5 Alameda County as of and for the year ended June 30, 2015, and the related notes to the financial statements which collectively comprise the First 5 Alameda County’s basic financial statements and have issued our report thereon dated _____.

Internal Control Over Financial Reporting

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

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

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

Compliance and other Matters

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

Purpose of this Report

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

San Ramon, California
_____, 2015

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Commissioners
First 5 Alameda County
Alameda, California

Compliance

We have audited the First 5 Alameda County's compliance with the requirements specified in the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, issued by the State Controller's Office, applicable to the Commission's statutory requirements identified below for the year ended June 30, 2015.

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the First 5 Alameda County compiled, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the California Children and Families Program for the year ended June 30, 2015.

San Ramon, California
_____, 2015

DRAFT

**FIRST 5 ALAMEDA COUNTY
STATUS OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2015**

There were no findings reported in the prior year.

DRAFT



To: First 5 Alameda County Commission
From: Mark R Rasiah, Financial Controller
Date: October 15, 2015
Subject: Financial Policies Revision

ACTION REQUESTED

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

BACKGROUND

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

RECOMMENDATION

This version of the Financial Policies remains substantially unchanged from that approved by the Commission in April 2014, except for the following two changes:

1. Deletion of the "Deputy Director" title in Section VI and VII on pages 4 through 6. Replacing it with "Chief Operating Officer".
2. Updates to the policy time frame, bringing it in line with the Long Range Financial Plan in the two instances below:
 - The overriding fiscal policy of F5AC is to maintain programs at a constant level of funding for the following strategic plans through 2025 (instead of 2013) on page 1, and
 - Prudent use of reserves will enable F5AC to maintain programs at a constant level of funding for the following strategic plans through 2025 (instead of 2015) on page 2.

The recommendation is made in the attached document in track changes format for easy identification.

FISCAL IMPACT

There is no fiscal impact.

RECOMMENDATION

That the Commission review and approve the changes to the Financial Policies.

Submitted by:

Reviewed by:

Mark R Rasiah
Financial Controller

Janis Burger
Chief Executive Officer

FIRST 5



First 5 Alameda County Financial Policies

Approved June 24, 2004

Revised June 22, 2006

Revised May 24, 2007

Revised September 22, 2011

Revised April 24, 2014

October 15, 2015

FIRST 5 ALAMEDA COUNTY

FINANCIAL POLICIES

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FIRST 5 ALAMEDA COUNTY FINANCIAL POLICIES

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

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

As a legally separate and fiscally independent agency, F5AC has the responsibility to establish and maintain sound financial policies that will assure F5AC's continuing ability to achieve its goal of improving health and developmental outcomes of children in Alameda County ages 0 to 5. The overriding fiscal policy of F5AC is to maintain programs at a high constant level of funding through the following strategic plans through 201325 in the face of declining Proposition 10 revenue stream by strategically drawing from reserves.

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

I. ACCOUNTING, FINANCIAL REPORTING & AUDITING

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

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

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

II. FINANCIAL RESERVES AND GOALS

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

- A. F5AC will maintain the Children's Sustainability Fund in accordance with the Long Range Financial Plan established by the Commission on March 25, 2004, and any subsequently approved Long Range Plans. Prudent use of reserves will enable F5AC to maintain programs at a high constant level of funding through the following strategic plans through 2025~~13~~ in the face of declining Proposition 10 revenues.
- B. F5AC will maintain specific reserves required by law and/or debt covenants and any general reserve requirements as may be set from time to time by the Commission.
- C. F5AC will maintain sufficient reserve to support the cost of reimbursement in the case of audit exception in federal fiscal leveraging.
- D. Unspent funds at year end will close to the Children's Sustainability Fund, unless roll over to the next year is approved by the Commission.

III. BUDGET ADOPTION AND AMENDMENT

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

- A. F5AC will adopt, by resolution, a budget by June 30 each year.
- B. The annual budget will be a balanced budget consisting of budgetary revenues, restricted carryover and, in accordance with the 10 -Year Financial Plan, augmentation from the Children’s Sustainability Fund.
- C. F5AC will maintain a budgetary control process to ensure compliance with the budget. The budget will be managed at the program level (i.e. program will not overspend its budget).
- D. The Commission will formally review F5AC’s fiscal condition, and amend the budget if necessary, approximately six months after the beginning of each fiscal year.
- E. Budget transfers between programs and budget adjustments that increase the authorized spending level of a program must be approved by the Commission.

IV. REVENUE ACCOUNTING

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

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

V. INVESTMENTS

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

- A. The Commission will annually review and approve the Investment Policy (see Appendix B) in accordance with the California Government Code section 53646.

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

VI. CASH COLLECTIONS AND DISBURSEMENTS

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

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

VII. PURCHASING AND CONTRACTING

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

- A. To the extent possible, Alameda County vendors will be considered.
- B. In accordance with the requirements set forth in Government Code section 130140(d)(4)(B) and Public Contract Code section 3410, preference will be given to United States grown produce and United States processed foods, when there is a choice and when it is economically feasible to do so. In accordance with the statute, F5AC can make the determination of what is “economically feasible”, considering the total cost, quantity and quality of the food and the budget and policies of F5AC.
- C. In accordance with the requirements set forth in Government Code section 130140(d)(4)(B) and Public Contract Code sections 22150 to 22154, F5AC will purchase recycled products instead of non-recycled products whenever recycled products are available at the same or lesser total cost than non-recycled products. In addition, F5AC will require vendors of supplies to comply with the Government Code and Public Contract Code sections referenced above, which require that such businesses certify in writing the minimum, if not exact, percentage of postconsumer materials in the products and supplies offered or sold to F5AC. F5AC may waive this certification requirement if the percentage of postconsumer material can be verified in a written advertisement, such as a product label, catalog, or website.
- D. F5AC will obtain formal proposals through a request for proposal process or request a sole source for each purchase of supplies, equipment or services in an amount of \$25,000 or more. For purchases of supplies, equipment or services in dollar amounts greater than \$5,000 but less than \$25,000, F5AC shall obtain at least three documented quotes. The best proposal shall be determined based on the best combination of price and quality. Quotes may be obtained in writing or from published price lists. Purchases of supplies, equipment or services in dollar amounts less than \$5,000 may be made at purchaser’s discretion, keeping within budget guidelines.
- E. F5AC employees can purchase up to \$1,000 per transaction on behalf of F5AC and be reimbursed with appropriate documentation and approval of the Chief Executive Officer, Chief Operating Officer~~Deputy Director~~ or designated staff. All purchases must be within the approved budget.
- F. An F5AC credit card will be available for purchases that are over \$1,000 per transaction. It will be held by the Office Manager or designated staff.
- G. All purchases of services over \$5,000 shall be documented via a contract. Only the CEO and Chief Operating Officer~~Deputy Director~~ are authorized to sign contracts. Only the CEO and Chief Operating Officer~~Deputy Director~~ or designated alternates are authorized to sign checks.
- H. Contracts of \$50,000 and above require commission approval, and are signed by the chair or vice-chair of the Commission or an alternate Commissioner as

designated. Contracts under \$50,000 may be signed by the Chief Executive Officer or ~~Chief Operating Officer~~ Deputy Director. Ancillary payments to vendors (e.g. training costs, honorariums, advertisements) shall not exceed 10% or \$25,000, whichever is lower, be authorized by the CEO or ~~Chief Operating Officer~~ Deputy Director and will not be attributed to the \$50,000 limit for Commission approval if budget funds are available.

- I. F5AC will pay invoices within 40 days of receipt. When discounts are offered, invoices will be paid within the discount period.
- J. For each request for proposal issued, F5AC will establish and communicate to the prospective vendors the bidding or application procedures and evaluation criteria in order to ensure a fair bid or application process and enable F5AC to determine the most cost effective proposals.
- K. F5AC will utilize standardized bidding and application procedures, requests for proposals, contracting provisions, and processes to ensure consistent and effective procurement of supplies, equipment and services.

VIII. ADMINISTRATIVE COST POLICY

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

1. Definition of Administrative Costs

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

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

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

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

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

2. Allocation of Administrative Costs

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

3. Limit on Administrative Costs

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

4. Monitoring of Administrative Costs

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

Administrative Cost Policy - Schedule A

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

			allocable by head count.
Travel	Admin	Direct	Charged directly to division
Depreciation	Admin	Allocable	Percentage of budget



To: First 5 Alameda County Commission

From: Mark R Rasiah, Financial Controller

Date: October 15, 2015

Subject: Investment Policy Recommendations

ACTION REQUESTED

To review and approve the following revisions to the Investment Policy.

BACKGROUND

First 5 Alameda County (F5AC) adopted an Investment Policy in May 2005, which was amended on December 2005, May 2006 and every year since June 2007. In accordance with the Investment Policy Section VIII.1, “the CEO or designee shall annually render a statement of investment policy, which the Board will consider at a public meeting”.

Each year, prior to such review, First 5 Alameda County Finance staff works with the money managers to discuss any proposed changes to the policy or changes in California Government Code Section 53600, which guides the investment of public funds.

RECOMMENDATIONS

The following revisions are proposed to the investment policy document that was approved by the Commission in December 2014. The major changes and the reasons are shown in “track changes” mode for easy identification.

1. Replace the Glossary of Investment Terms, to reflect current investment terminology (Page 12).
2. Delete “AAA rated FDIC Corporate Bonds...” as these are no longer applicable (Page 7).
3. Amend the description of Asset Backed Securities to match the model policy language permitting a larger universe of Asset Backed Securities in the portfolio (Page 8).
4. Add clarifying language to explicitly reference municipal securities (Page 8).
5. Add “Supranational” to the list of high quality US dollar denominated investments (Page 8).
6. Amend performance comparison benchmark to reference relevant benchmark instead (Page 10).

7. Add to reporting requirements permitting monthly reports on request (Page 11).

FISCAL IMPACT

There is no fiscal impact.

RECOMMENDATION

To review and approve the proposed revisions to the First 5 Alameda County Investment Policy.

Submitted by:

Reviewed by:

Mark R Rasiah
Financial Controller

Janis Burger
Chief Executive Officer



FIRST 5 ALAMEDA COUNTY INVESTMENT POLICY

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

I. APPLICABILITY

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

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

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

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

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

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

II. OBJECTIVES

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

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

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

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

III. STANDARDS OF CARE

1. **PRUDENCE.** The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. The "prudent person" standard states that "Investments shall be made with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency." Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

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

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

2. **ETHICS AND CONFLICTS OF INTEREST.** Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Portfolio managers who are dealers should not buy securities from their own or related companies. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of F5AC. Individuals acting on behalf of F5AC in accordance with this Policy and related written procedures and exercising due diligence shall be relieved of personal liability for any individual security's risk or market changes.

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

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

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

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

1. SELECTION OF FINANCIAL INSTITUTIONS AND DEPOSITORIES

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

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

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

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

- The firm's most recent financial statements;

- Proof of Financial Industry Regulatory Authority (FINRA) certification; and
- Evidence of adequate insurance coverage.

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

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

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

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

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

- Monthly, a list of investments owned, including type of security, CUSIP number, number of shares, date purchased, maturity date, interest rate, accrued interest, purchase cost and market value.
- Investment advice within five business days of any trade.
- Documentation supporting three bids or offers obtained for each security purchased or sold.
- Quarterly, a report demonstrating compliance with this Policy.
- Notice of noncompliance, within five business days of the transaction, when the rating of an individual security declines below that allowed by this Policy, or the percentage of the portfolio in an investment type exceeds the maximum allowed by this Policy, or the amount allowed to be invested in one issuer exceeds the percentage allowed by this Policy.

V. SAFEKEEPING AND CUSTODY

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

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

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

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

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

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

VI. ELIGIBLE INVESTMENTS

A. Authorized Investments

All investments shall be made in accordance with Sections 16429.1, 53600 – 53609, and 53630 – 53686 of the Government Code of California and as described within this Policy. Permitted investments under this Policy shall include:

1. U.S. Treasury Obligations: Treasury bills, Treasury notes, Treasury bonds and Treasury STRIPS with maturities not exceeding six years from the date of trade settlement. There is no limit on the percentage of the portfolio that may be invested in these obligations.
2. Federal Instrumentality Securities: Debentures, discount notes, callable securities, step-up securities and stripped principal or coupons with maturities not exceeding five years from the date of trade settlement. Federal Instrumentality securities shall be rated at least AAA or the equivalent by a nationally recognized statistical-rating organization (NRSRO) at the time of

purchase. There is no limit on the percentage of the portfolio that may be invested in instrumentalities.

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

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

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

No more than 25% of the City's total portfolio shall be invested in commercial paper.

6. State of California's Local Agency Investment Fund (LAIF): LAIF, in accordance with California Government Code Section 16429.1.
7. Corporate Medium-term Notes: Corporate medium-term notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States, with a final maturity not exceeding five years from the date of trade settlement, and rated at least A or the equivalent by a NRSRO. The aggregate investment in medium-term notes shall not exceed 30% of the City's total portfolio. ~~AAA-rated FDIC-guaranteed corporate bonds are herein authorized, with the aforementioned diversification and maturity requirements.~~

8. Mortgage Pass-through Securities and Asset-backed Securities: Mortgage pass-through securities and asset-backed securities shall have a maximum ~~stated legal~~ final maturity of five years and shall be rated at least ~~"AA"~~A or the equivalent by a NRSRO, with the issuer having a long-term rating of "A" or higher by a NRSRO. No more than 20 percent of the portfolio may be invested in such securities, and no more than 5% of the portfolio may be invested in any single issuer.
9. Money Market Mutual Funds: Money market mutual funds which are registered under the Investment Act of 1940; are "no-load" (meaning no commission or fee shall be charged on purchases or sales or shares); have a constant net asset value of \$1.00; invest only in the securities and obligations authorized in California statutes; and are rated AAA or the equivalent by a NRSRO. The aggregate investment in money market funds shall not exceed 20% of the portfolio.
10. Local Agency Obligations and Municipal Securities: Local agency obligations whose short-term rating is at least A-1 or equivalent by two NRSROs or whose long-term rating is at least AA or the equivalent by ~~two~~ at least one NRSROs. No more than 5% of the portfolio may be invested in any single issuer, and no more than 30% of the portfolio may be in Municipal Securities. The maximum maturity shall not exceed five (5) years.
11. Supranationals: Issues are US dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank. The securities shall be rated "AA" or higher by a NRSRO. No more than 30% of the total portfolio may be invested in these securities, with no more than 10% of the portfolio invested in any single issuer. The maximum maturity shall not exceed five (5) years.

B. Prohibited investment vehicles and practices

1. State law notwithstanding, any investments not specifically described herein are prohibited, including, but not limited to, mutual funds (other than government money market funds as described in Section VI A(9)), unregulated and/or unrated investment pools or trusts, collateralized mortgage obligations and futures and options.
2. Investing in inverse floaters, range notes, or mortgage derived interest-only strips is prohibited, per Government Code Section 53601.6.
3. Investment in any security that could result in a zero interest accrual if held to maturity is prohibited.
4. Trading securities for the sole purpose of speculating on the future direction of interest rates is prohibited.
5. Purchasing or selling securities on margin is prohibited.

6. Using reverse repurchase agreements, securities lending or any other form of borrowing or leverage is prohibited.
7. Purchasing securities issued by company in the tobacco business, including parent companies and their controlled subsidiaries, is prohibited.
8. Purchasing foreign currency denominated securities.

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

C. Mitigating credit risk in the portfolio

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

1. Abiding by the diversification requirements included in Section VI (A);
2. Limiting 5% of the total portfolio to securities of any single issuer, other than the US Government, its agencies and instrumentalities;
3. Electing to sell a security prior to its maturity and record a capital gain or loss in order to improve the quality, liquidity or yield of the portfolio in response to market conditions or F5AC's risk preferences; and
4. Reviewing securities owned by F5AC which are downgraded to a level below the quality required by this Policy. In such cases it shall be F5AC's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio.
 - If a security is downgraded two grades below the level required by F5AC, the security shall be sold immediately.
 - If a security is downgraded one grade below the level required by this Policy, the F5AC Finance Director shall use discretion in determining whether to sell or hold the security based on its current maturity, the loss in value, the economic outlook for the issuer, and other relevant factors.
 - If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio shall be monitored and reported monthly to the Executive Committee and the Commission of F5AC.

D. Mitigating market risk in the portfolio

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

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

VII. Performance objectives and expectations

The investment portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles, taking into account prevailing market conditions, risk constraints for eligible securities, and cash flow requirements. ~~The performance of F5AC's investments shall be compared to the average yield on the U.S. Treasury security that most closely corresponds to the portfolio's actual weighted average effective maturity. The performance of F5AC's investments shall be compared relative to the chosen market benchmark(s), which will be included in the monthly report. An appropriate, readily available index to use as a market benchmark will be selected.~~ When comparing the performance of F5AC's portfolio, its rate of return shall be computed net of all fees and expenses.

VIII. REPORTING

Quarterly, the Financial Controller shall submit to the Executive Committee a report of the investment earnings and performance results of F5AC's investment portfolio. The report shall include the following information:

1. Investment type, issuer, date of maturity, par value and dollar amount invested in all securities, and investments and monies held by the F5AC;
2. A description of the funds, investments and programs;

3. A market value as of the date of the report (or the most recent valuation as to assets not valued monthly) and the source of the valuation;
4. A statement of compliance with this Policy or an explanation for non-compliance; and
5. A statement of F5AC's ability to meet expenditure requirements for six months, and an explanation of why money will not be available if that is the case.

MONTHLY REPORTS

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

1. An asset listing showing par value, cost and independent third-party fair market value of each security as of the date of the report, the source of the valuation, type of investment, issuer, maturity date and interest rate.
2. Monthly transactions for the period.
3. A one-page summary report that shows:
 - a. Average maturity of the portfolio and modified duration of the portfolio;
 - b. Maturity distribution of the portfolio;
 - c. Average portfolio credit quality; and,
 - d. Time-weighted total rate of return for the portfolio for the prior one month, three months, twelve months and since inception compared to the First 5 Alameda's market benchmark returns for the same periods;
4. A statement of compliance with investment policy, including a schedule of any transactions or holdings which do not comply with this policy or with the California Government Code, including a justification for their presence in the portfolio and a timetable for resolution.
5. A statement that First 5 Alameda County has adequate funds to meet its cash flow requirements for the next six months.

ANNUAL REPORTS

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

IX. POLICY REVIEW

This Investment Policy shall be adopted annually by resolution of the Executive Committee. It shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity, yield and diversification and its relevance to current law and economic trends. Amendments to this Investment Policy shall be approved by resolution of the Executive Committee.

GLOSSARY OF INVESTMENT TERMS[®]

~~**Agencies.** Shorthand market terminology for any obligation issued by a government-sponsored entity (GSE), or a federally related institution. Obligations of GSEs are not guaranteed by the full faith and credit of the US government. There are eight GSEs, five of which are currently active in the new issue market. The five include:~~

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

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

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

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

~~— Federally related institutions are arms of the federal government. Most do not issue securities directly into the market. Those, which do issue directly, include the following:~~

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

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

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

~~**Asked.** The price at which a seller offers to sell a security.~~

~~**Average life.** In mortgage-related investments, including CMOs, the average time to expected receipt of principal payments, weighted by the amount of principal expected.~~

~~**Banker's acceptance.** A money market instrument created to facilitate international trade transactions. It is highly liquid and safe because the risk of the trade transaction is transferred to the bank which "accepts" the obligation to pay the investor.~~

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

~~**Bid.** The price at which a buyer offers to buy a security.~~

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

~~**Certificate of Deposit (CD).** A time deposit with a specific maturity evidenced by a certificate. Large denomination CDs may be marketable.~~

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

~~**Collateralized Mortgage Obligations (CMO).** Classes of bonds that redistribute the cash flows of mortgage securities (and whole loans) to create securities that have different levels of prepayment risk, as compared to the underlying mortgage securities.~~

~~**Commercial paper.** The short-term unsecured debt of corporations.~~

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

~~**Coupon.** The rate of return at which interest is paid on a bond.~~

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

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

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

~~**Debenture.** A bond secured only by the general credit of the issuer.~~

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

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

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

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

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

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

Federal Open Market Committee: ~~A committee of the Federal Reserve Board that establishes monetary policy and executes it through temporary and permanent changes to the supply of bank reserves.~~

Haircut: ~~The margin or difference between the actual market value of a security and the value assessed by the lending side of a transaction (i.e. a repo).~~

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

Liquidity: ~~The speed and ease with which an asset can be converted to cash.~~

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

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

Market value. The price at which a security can be traded.

Marking to market. The process of posting current market values for securities in a portfolio.

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

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

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

Money market. The market in which short term debt instruments (Tbills, discount notes, commercial paper and banker's acceptances) are issued and traded.

Mortgage pass-through securities. A securitized participation in the interest and principal cashflows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

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

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

Prepayment speed. A measure of how quickly principal is repaid to investors in mortgage securities.

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

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

Prudent person (man) rule. A standard of responsibility which applies to fiduciaries. In California, the rule is stated as "Investments shall be managed with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar

~~with such matters, would use in the conduct of an enterprise of like character and with like aims to accomplish similar purposes.”~~

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

~~**Regional dealer.**—A financial intermediary that buys and sells securities for the benefit of its customers without maintaining substantial inventories of securities, and that is not a primary dealer.~~

~~**Repurchase agreement (RP, Repo).**—Short term purchases of securities with a simultaneous agreement to sell the securities back at a higher price. From the seller’s point of view, the same transaction is a **reverse repurchase agreement.**~~

~~**Safekeeping.**—A service to bank customers whereby securities are held by the bank in the customer’s name.~~

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

~~**Total rate of return.**—A measure of a portfolio’ performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value, and includes interest earnings and realized and unrealized gains and losses on the portfolio.~~

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

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

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

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

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

~~**Yield to Maturity.** The annualized internal rate of return on an investment which equates the expected cash flows from the investment to its cost.~~

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Glossary of Investment Terms

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

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

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

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

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

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

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

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

LOCAL GOVERNMENT INVESTMENT POOL. Investment pools that range from the State Treasurer's Office Local Agency Investment Fund (LAIF) to county pools, to Joint Powers Authorities (JPAs). These funds are not subject to the same SEC rules applicable to money market mutual funds.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



To: First 5 Alameda County Commission
From: Christine Hom, Contracts and Grants Administrator
Date: October 15, 2015
Subject: Contract Authorizations

REQUESTED ACTION

To review the following contract authorizations.

BACKGROUND

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

First 5 Association of California - \$11,670

First 5 Alameda County is requesting approval of a FY 2015-16 \$11,670 sole source contract with the First 5 Association of California to support the work of Health Management Associates (HMA). HMA is working with four First 5 Commissions (Orange, Los Angeles, Alameda and Santa Clara) to align agency priorities with the goals of Medi-Cal managed care organizations (MMCOs) and develop strategies that can be replicated within other counties (FY 2013-2017 Strategic Plan, page 15). HMA's work will focus on developmental screening, home visiting and care coordination particularly for children with high-risk medical conditions, including understanding the possibilities under the 1115 Waiver Proposal and identifying areas of particular focus in connection with the California Children's Services transition to MMC. The First 5 Association is holding the sole \$70,000 contract with HMA and F5AC's equal share to support their work is \$11,670. The addition of this \$11,670 contract brings the aggregate FY 2015-16 payment amount to *\$103,990 for which Commission approval is needed.

*F5AC currently has a \$89,270 contract with the First 5 Association to create state-level infrastructure to support the growth and sustainability of local Help Me Grow affiliates within counties. In addition, \$3,050 was paid to the Association for 12 staff to attend the annual Staff Summit.

Fiscal Impact: Funding is budgeted in program code 701 (Policy, Advocacy and Communications) for FY 2015-16.

Action requested: Approve an aggregate FY 2015-16 payment amount of \$103,990 (and FY 2015-16 contract amount of \$11,670) for the First 5 Association of California.

Harder & Company - \$26,370

First 5 Alameda County is requesting approval of a FY 2015-16 \$26,370 contract amendment with Harder & Company to continue conducting evaluation activities of the Alameda County QRIS system including structured interviews and focus groups with identified participants, quantitative data analysis of quality improvement plans and technical assistance logs and production of a final written evaluation report (FY 2013-2017 Strategic Plan, page 9). Harder & Company will conduct interviews with a sample of Cohort 1, 2 and 3 participants, a focus group with QRIS administrative staff and draft a final report including a summary and analysis of all data collected. F5AC currently has a FY 2014-16 \$49,985 contract with Harder & Company to develop the analytic plan, draft interview and focus group questions with F5AC staff and begin data collection. The addition of \$26,370 to their current contract brings the FY 2014-16 contract amount to \$76,355 for which Commission approval is needed.

Fiscal Impact: Funding is budgeted in program code 900 (Quality ECE) for FY 2015-16.

Action requested: Approve a total FY 2014-16 contract amount of \$76,355 for Harder & Company.

Help Me Grow National Center, Connecticut Children's Medical Center - \$4,000

First 5 Alameda County is requesting approval of a FY 2015-16 \$4,000 contract amendment with the Help Me Grow National Center, Connecticut Children's Medical Center to support the continued development of a comprehensive and integrated statewide Help Me Grow system in California designed to address the need for early identification and linkage to developmental and behavioral services and supports for children and their families (FY 2013-2017 Strategic Plan, page 7). F5AC currently has a FY 2015-16 \$49,500 contract with Help Me Grow National Center to provide ongoing consultation and technical assistance to counties at the state and local levels. The addition of \$4,000 to their current contract would allow them to fully implement learning community activities including providing support and guidance to at minimum 10 counties in the pre-affiliation phase of implementation, focusing on the establishment of the core components: The Centralized Telephone Access Point; Community and Family Outreach; Physician Outreach; Data Collection and Evaluation. The addition of \$4,000 to the current contract brings the total FY 2015-16 contract amount to *\$53,500 for which Commission approval is needed.

Fiscal Impact: Funding is budgeted in program code 701 (Policy, Advocacy and Communications) and will be received from First 5 California via their current contract with F5AC for FY 2015-16.

Action requested: Approve a total FY 2015-16 contract amount of \$53,500 for Help Me Grow National Center, Connecticut Children’s Medical Center.

Parent Voices Oakland - \$38,383

First 5 Alameda County is requesting approval of a FY 2015-16 \$38,383 contract amendment with Parent Voices Oakland (PVO) to continue their work with the Alameda County Early Childhood Policy Committee (ACECPC) Task Force and conduct parent recruitment and engagement activities (FY 2013-2017 Strategic Plan, page 15). PVO currently has a FY 2015-16 \$169,950 contract to train CalWORKS participants, provide parent education trainings on the Strengthening Families framework, provide Parent Advocate Trainings and participate in policy and systems advocacy at the local and state levels. The addition of this \$38,383 amendment brings the FY 2015-16 total contract amount to \$208,333 and the aggregate FY 2014-16 contract amount to *\$250,333 for which Commission approval is needed.

*F5AC had a FY 2014-16 \$22,000 with PVO to provide additional coordination to the ACECPC (e.g. supporting a Parent ACECPC Co-Chair and Project Coordinator, coordinating Parent Forum event) funded in part by AC BHCS Early Connections and will have a FY 2015-16 \$20,000 contract funded in part by AC BHCS to support PVO continuing this work.

Fiscal Impact: Funding is budgeted in 701 (Policy, Advocacy and Communications and will be received from a FY 2015-16 contract with Alameda County Social Services Agency.

Action requested: Approve an aggregate FY 2014-16 contract amount of \$250,333 for Parent Voices Oakland.

UCSF Benioff Children’s Hospital Oakland - \$30,000

First 5 Alameda County is requesting approval of a FY 2015-17 \$30,000 sole source contract with UCSF Benioff Children’s Hospital Oakland (CHO) to support the supervision of Highland Hospital Family Specialist staff as part of Project DULCE (Developmental Understanding and Legal Collaboration for Everyone), a family support intervention model bridging infant health and legal access for families (2013-17 Strategic Plan, page 15). The Center for the Study of Social Policy (CSSP) is partnering with F5AC to pilot Project DULCE in Highland Hospital’s Pediatric Department. As this is a new program for Highland Hospital, CHO will assist by providing four hours of supervision a week for the Family Specialist and also support planning and program development for the first six months of the project. The addition of this \$30,000 contract brings the FY 2014-17 aggregate contract amount to *\$232,160 for which Commission approval is needed.

*F5AC currently has a FY 2015-17 \$120,000 community grant with CHO to provide play intervention to Spanish-speaking children who are at high risk for developmental and social-emotional delays, a FY 2015-17 \$16,000 contract to offer support and consultation to providers who work with Latino families with children 0-5 years old, a FY 2015-16 \$50,000 contract to provide case discussion, reflection groups and individual consultation to the cohort of 17 Family Support Professionals in the Harris Program. F5AC also had a FY 2014-16 \$16,160 contract with CHO to coordinate and facilitate the Early Connections Co-Learning Program.

Fiscal Impact: Funding will be received from a new \$50,000 grant from the David and Lucile Packard Foundation and will be added to the F5AC agency budget via the mid-year budget modification process in February 2016.

Action requested: Approve an aggregate FY 2014-17 award amount of \$232,160 for UCSF Benioff Children’s Hospital Oakland.

RECOMMENDATION

That the Commission approve the above contract authorizations.

Submitted by:

Reviewed by:

Christine Hom
Contracts and Grants Administrator

Janis Burger
Chief Executive Officer



To: First 5 Alameda County Commission

From: Janis Burger, CEO

Date: October 15, 2015

Subject: Adoption of the Alameda County Fathers Corps Father Friendly Principles

REQUESTED ACTION

To review the Alameda County Fathers Corps (ACFC) Father Friendly Principles

BACKGROUND

Established in 2013, the ACFC is a collaborative effort of First 5 Alameda County, Alameda County Health Care Services Agency and Alameda County Social Services Agency. The mission of the ACFC is to promote and support the meaningful engagement of fathers and father figures in the lives of their children and families, and to advocate for family service agencies to provide father friendly services and to assist fathers in strengthening parenting skills. One of the goals of the ACFC is to build the capacity of public and community based agencies so that their practices are more father friendly. The ACFC Father Friendly Principles define what it means for an agency to be father friendly. The ACFC Father Friendly Principles were adopted by the Alameda County Board of Supervisors on February 3, 2015. In their resolution, the Board of Supervisors encouraged Alameda County agencies to also adopt the ACFC Father Friendly Principles.

FISCAL IMPACT

There is no fiscal impact for this approval.

RECOMMENDATION

To adopt the ACFC Father Friendly Principles.

Submitted by:

Reviewed by:

Janis Burger,
Chief Executive Officer

Kevin Bremond,
Alameda County Fathers Corps Administrator



FATHER-FRIENDLY PRINCIPLES FOR AGENCIES AND ORGANIZATIONS IN ALAMEDA COUNTY

The Alameda County Fathers Corps is a county-wide team of male service providers-in-training, working to help strengthen families by helping men be the best fathers they can be. Our goal is that every father is fully engaged and supportive of their children and that agencies and organizations in Alameda County be fully prepared to help them succeed. The Fathers Corps guides providers in building on the five protective factors of the Strengthening Families Framework to reduce risks and create optimal outcomes for children and families.

Towards that end, the Alameda County Fathers Corps has adopted the following set of Father-Friendly Principles which we recommend be implemented in service organizations county-wide.

Principle 1: That fathers and the needs of fathers, be included in the structure and delivery model of all family services in Alameda County agencies and organizations

Principle 2: That Alameda County programs, agencies and organizations be open, supportive, helpful, and inclusive towards the needs of fathers and provide father-specific services and/or programs, all of which further the goal of increasing fathers' involvement in their children's lives

Principle 3: That outreach materials, illustrations, posters, brochures and other collateral materials include positive and diverse images of fathers being fathers, and that facilities provide father-friendly environments with materials consistent with the needs and interests of men and fathers

Principle 4: That Alameda County family service programs, agencies and organizations create positions that serve fathers, and actively recruit men to fill those positions in order to better address the needs of fathers. To facilitate recruitment, we recommend development of a career track for father services, e.g. active recruitment of young men into social services with scholarships, internships and explicit advertising that "men are strongly urged to apply."

Principle 5: That Alameda County programs, agencies and organizations working with families strive to provide training for all staff on working with men and on fatherhood issues

Principle 6: That Alameda County programs, agencies and organizations develop program policies that include a clear expectation that fathers should and will participate

Principle 7: That Alameda County agencies and organizations make every effort to create the image that its programs are designed for fathers, as well as for mothers and children

References

Administration for Children and Families. "Building Blocks for Father Involvement." Washington, DC: U.S. Department of Health and Human Services, 2004.

J. Bellotti, C. Vogel, A. Burwick, et al. "Dedicated to Dads: Lessons from the Early Head Start Fatherhood Demonstration." Report submitted to the Administration on Children, Youth and Families. Princeton, NJ: Mathematica Policy Research, Inc., 2003.

A. Burwick, J. Bellotti, and C. Nagatoshi. "Paths to Father Involvement: The Early Head Start Fatherhood Demonstration in Its Third Year." Report submitted to the Administration on Children, Youth and Families. Princeton, NJ: Mathematica Policy Research, Inc., 2004.

Center for the Study of Social Policy. "Strengthening Families: An Overview," 2014.
<http://www.cssp.org/reform/strengthening-families/2014/SFoverview.pdf>

J. Rosenberg and W. B. Wilcox. "The Importance of Fathers in the Healthy Development of Children." Child Abuse and Neglect User Manual Series. Office on Child Abuse and Neglect, Administration for Children and Families, U.S. Department of Health and Human Services, 2006.

ALL MEETINGS ARE SUBJECT TO CHANGE. MEMBERS OF THE PUBLIC CAN CALL 510-227-6900 TO VERIFY DATE AND TIME.

2016 MEETING CALENDAR

MONTH	EXECUTIVE COMMITTEE Time TBD (Unless Otherwise Noted)	COMMISSION 9:00 AM - 11:30 AM	AGENDA ITEMS
FEBRUARY	*Thursday, February 11 1115 Atlantic Ave. Alameda Conference Room E	Thursday, February 18 1115 Atlantic Ave. Alameda Conference Room A	<ul style="list-style-type: none"> • Election of Officers • FY 2015-16 Mid-Year Budget Modification • First 5 CA Annual Report • Ethics Presentation
APRIL	Friday, April 15 1115 Atlantic Ave. Alameda Conference Room E	Thursday, April 21 1115 Atlantic Ave. Alameda Conference Room A	<ul style="list-style-type: none"> • First reading of FY 2016-17 Budget • First reading of FY 2016-17 Strategic Plan • First reading of Long Range Financial Plan(LRFP)
JUNE	Friday, June 10 1115 Atlantic Ave. Alameda Conference Room E	Thursday, June 16 1115 Atlantic Ave. Alameda Conference Room A	<ul style="list-style-type: none"> • Final approval of FY 2016-17 Budget • Final approval of LRFP • FY 2016-17 Contract Authorizations • Final Approval of FY 2016-17 Strategic Plan • ACERA 401(h) Authorization • Personnel Policy Review • GASB 54 Fund Balance Commitment
August	Friday, August 12 1115 Atlantic Ave. Alameda Conference Room E	Thursday, August 18 1115 Atlantic Ave. Alameda Conference Room A	
OCTOBER	Friday, October 14 1115 Atlantic Ave. Alameda Conference Room E	Thursday, October 20 1115 Atlantic Ave. Alameda Conference Room A	<ul style="list-style-type: none"> • FY 2015-16 Financial Audit Report • Annual Report to State • First reading of FY 2017-21 Strategic Plan
DECEMBER	Friday, December 2 1115 Atlantic Ave. Alameda Conference Room E	Thursday, December 8 1115 Atlantic Ave. Alameda Conference Room A	<ul style="list-style-type: none"> • F5AC Annual Report • Second and final reading of FY 2017-2021 Strategic Plan • Investment Policy Review

*Note that the February Executive Committee meeting will be held on a Thursday afternoon. First 5 office will be closed on Friday, Feb 12th in observance of the President Lincoln's Birthday.



To: First 5 Alameda County Commission
From: Janis Burger, CEO
Date: October 15, 2015
Subject: First 5 Alameda County Bylaws Revision

ACTION REQUESTED

That the Commission review and approve the recommendation to amend the First 5 Alameda County Bylaws.

BACKGROUND

Per the Bylaws adopted by the Commission on August 26, 1998, The Alameda County Children and Families Commission (First 5 Alameda County) is established in accordance with California Health and Safety Code Section 130140. The Commission's intent is to facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development.

Revisions to the Bylaws are necessary periodically due to changes in practice. The Bylaws, may be altered, amended, or repealed and new Bylaws adopted by approval of the Commission at any duly-noticed regular or special meeting. The recommendation to designate alternate Commissioners for county Commissioner seats requires Commission approval to amend the Bylaws.

FISCAL IMPACT

There is no fiscal impact on adopting the amended Bylaws.

RECOMMENDATION

That the Commission vote to adopt the amended Bylaws.

Submitted by:

Reviewed by:

Janis Burger
 Chief Executive Officer

Kristin Spanos
 Chief Operating Officer



FIRST 5 ALAMEDA COUNTY BY-LAWS

ARTICLE I. AUTHORITY

The ~~First 5 Alameda County Alameda County Children and Families~~ Commission (the Commission or County Commission) is established in accordance with California Health and Safety Code Section 130140.

ARTICLE II. PURPOSE AND INTENT

SECTION 1. PURPOSE

The ~~First 5 Alameda County Alameda County Children and Families~~ Commission is created for the purposes of promoting, supporting, and improving the early development of children from the prenatal stage to five years of age. These purposes shall be accomplished through the establishment, institution, and coordination of appropriate standards, resources, and integrated and comprehensive programs emphasizing community awareness, education, nurturing, child care, social services, health care, and research. The Commission's primary purpose is to adopt and implement the County's strategic plan.

SECTION 2. INTENT

The Commission's intent is to facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development. It is further the intent to integrate the Commission's planning and programs with existing service delivery systems for children from prenatal to age five and their families including but not limited to the Alameda County Social Services and Health Care Services Agencies, the Interagency Children's Policy Council, the Child Care Planning Council, and community based providers.

ARTICLE III. POWERS AND DUTIES

The powers and duties of the ~~First 5 Alameda County Alameda County Children and Families~~ Commission shall include, but are not limited to, the following:

- A. Perform any and all duties imposed on them collectively or individually by law or by these Bylaws;
- B. Prescribe the duties and fix the compensation, if any, of all officers, agents and employees of the commission;

- C. Supervise all officers, agents, employees, and advisory committees of the Commission to assure that their duties are performed properly;
- D. Meet at such times and places as required by these Bylaws;
- E. Approve the annual strategic plan for the support and improvement of early childhood development within the county, after conducting at least one public hearing on the proposed county strategic plan;
- F. On at least an annual basis, review the county strategic plan and revise as necessary and appropriate after conducting a public hearing to consider proposed revisions;
- G. Submit the county strategic plan and any revisions to it to the State Commission;
- H. Approve an annual budget;
- I. Prepare and adopt an annual audit and report pursuant to Health and Safety Code Section 130150 (b) and conduct public hearings;
- J. Elect the Officers of the Commission;
- K. Apply for gifts, grants, donations, or contributions of money, property, facilities, or services from any person, corporation, foundation, or other entity, or from the state or any agency or political subdivision thereof, or from the federal government or any agency instrumentality thereof, in furtherance of a program of early childhood development;
- L. Enter into such contracts as necessary or appropriate to carry out the provisions and purposes of the Children and Families First Act;
- M. Conduct at least one public hearing on each annual report prepared by the State Commission pursuant to Health and Safety Code Section 130150 (b);
- N. Consider the State Commission's findings and research and apply them to the county strategic plan as deemed appropriate;
- O. Solicit technical assistance from the State Commission as deemed necessary and appropriate;
- P. Provide input to the State Commission regarding guidelines and other matters as the Commission deems necessary and appropriate;
- Q. Make recommendations to the Board of Supervisors or the County Administrator for changes in ordinances or services necessary or appropriate to carry out an integrated and comprehensive program which is consistent with the strategic plan.

ARTICLE IV. OFFICES

SECTION 1. PRINCIPAL OFFICE

The principal office of the commission is located in Alameda County, State of California.

SECTION 2. CHANGE OF ADDRESS

The designation of the commission's principal office may be changed by amendment of these Bylaws. The Commission may change the principal office from one location to another within the named county by noting the changed address and effective date below, and such changes of address shall not be deemed, nor require, an amendment of these Bylaws:

1850 Fairway Drive, San Leandro, CA 94577 Dated: _____, 20__
1100 San Leandro Blvd., Suite 120 San Leandro, CA 94577 Dated: _____, 20__
1115 Atlantic Avenue, Alameda, CA 94501 Dated: _____, 20__

ARTICLE V. MEMBERSHIP OF COUNTY COMMISSION

SECTION 1. APPOINTMENT OF COMMISSIONERS

The County Commission shall be appointed by the Alameda County Board of Supervisors and shall consist of at least five but not more than nine members.

- A. Two members of the County Commission shall be from among the county health officer and persons responsible for management of the following county functions: children's services, public health services, behavioral health services, social services, and tobacco and other substance abuse prevention and treatment services.
- B. One member of the County Commission shall be a member of the board of supervisors.
- C. The remaining members of the County Commission shall be from among the persons described in clause (i) and persons from the following categories: recipients of project services included in the county strategic plan; educators specializing in early childhood development; representatives of a local child care resource or referral agency, or a local child care coordinating group; representatives of a local organization for prevention or early intervention for families at risk; representatives of community-based organizations that have the goal of promoting nurturing and early childhood development; representatives of local school districts; and representatives of local medical, pediatric, or obstetric associations or societies.

SECTION 2. ALTERNATE MEMBERS.

Each of the three Alameda County Commission members appointed by the Board of Supervisors shall designate one alternate Commission member for each of the following membership categories as below provided:

- A. For each Alameda County Commission member appointed pursuant to subsection (Aa-b) of Section 1, the alternate nominee shall be proposed by each involved member.

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~~B. For the each Alameda County Commission member appointed pursuant to subsection (a- Bb) of Section 1, the alternate nominee shall be proposed by the involved member an alternate shall be selected in the same manner as Commission appointment pursuant to subsection (c) of Section~~

~~Alternate members are encouraged to attend all regular Commission meetings when the designated county representative is not present to vote on their behalf. ,but may not vote unless substituting for their absent regular Commission member. Alternate members may not serve as elected officers, but may serve on ad hoc or standing committees of the Commission.~~

SECTION 2. TERMS OF OFFICE

~~The initial members~~Members and alternates of the County Commission shall serve for either a two-year term or a four-year term. Thereafter all appointments shall be for four-year terms. No appointee shall serve as a member of the County Commission for more than two consecutive four-year terms.

~~Alternate members, ,appointed to fill the three county Alternate positions shall serve at the discretion of the appointed County Commissioner and only so long as they are employed by the County of Alameda.~~

SECTION 3. REMOVAL AND FUTURE APPOINTMENTS

Any commissioner or alternate can be removed by the County Board of Supervisors at any time. The Board of Supervisors will then appoint a replacement commissioner to take the removed Commissioner's place and serve out the remainder of the Commissioner's term. The Commission may recommend to the Board of Supervisors that a Commissioner be removed due to his or her non-attendance at meetings or for other just cause.

Whenever a vacancy occurs due to resignation, removal, or expiration of a commissioner's term, the Board of Supervisors will appoint the replacement or in the case of term expiration, the Board of Supervisors may reappoint the Commissioner to another term.

SECTION 4. COMPENSATION

Members of the County Commission shall not be compensated for their services, except they shall be paid reasonable per diem and reimbursement of reasonable expenses for attending meetings and discharging other official responsibilities as authorized by the County Commission.

ARTICLE VI. OFFICERS

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SECTION 1. DESIGNATION OF OFFICERS

The officers of the Commission shall be a Chair and a Vice Chair. The Chair and Vice-Chair shall perform the duties of their respective offices, and such other duties as may be approved by the Commission.

SECTION 2. ELECTION AND TERM OF OFFICE

Officers shall be elected by the Commission and each officer shall hold office for one year, or until he or she resigns or is removed or is otherwise disqualified to serve, or until his or her successor shall be elected and qualified, whichever occurs first.

SECTION 3. DUTIES

The Chair shall preside at all meetings. In the absence of the Chair, the Vice-Chair shall assume the duties of the Chair.

SECTION 4. REMOVAL AND RESIGNATION

Any officer may be removed as officer, either with or without cause, by the Commission, at any time. Any officer may resign at any time by giving written notice to the Commission. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 5. EXECUTIVE DIRECTOR/CHIEF EXECUTIVE OFFICER

The Commission shall hire an Executive Director/Chief Executive Officer who shall act under the authority of, and in accordance with the direction of, the County Commission. The Executive Director/Chief Executive Officer, with the approval of the County Commission, will be authorized to hire such other staff as necessary or appropriate.

ARTICLE VII. MEETINGS

SECTION 1. PLACE OF MEETINGS

Meetings shall be held within Alameda County at a place designated from time to time by the Commissioners.

SECTION 2. REGULAR MEETINGS

Regular meetings of Commissioners shall be held on a regular basis at a time and place to be specified by formal action of the Commission.

SECTION 3. SPECIAL MEETINGS

Special meetings of the County Commission may be called by the Chair, the Vice-Chair, or by any two Commissioners. Such meetings shall be held at the place designated by the person or persons calling the special meeting.

SECTION 4. OPEN MEETINGS

All meetings of the Commission, except those closed sessions permitted by law, shall be open and public. All meetings shall conform to the Ralph M. Brown Act, including requirements for notice of meetings, preparation and distribution of agendas and written materials, inspection of public records, closed sessions and emergency meetings, maintenance of records, and disruption of a public meeting. Those provisions of law which govern the conduct of meetings of this Commission are hereby incorporated by reference into these Bylaws.

SECTION 5. QUORUM FOR MEETINGS

A quorum shall consist of a majority of the voting members of the [First 5 Alameda County](#)~~Alameda County Children and Families~~ Commission.

SECTION 6. MAJORITY ACTION AS BOARD ACTION

Every act or decision done or made by a majority of the commissioners present at a meeting duly held at which a quorum is present is an official, formal action of the Commission.

SECTION 7. CONDUCT OF MEETINGS

Meetings of the Commission shall be presided over by the Chair of the Commission, or in his or her absence, by the Vice-Chair of the Commission or, in the absence of each of these persons, by a Chairperson chosen by a majority of the commissioners present at the meeting.

ARTICLE VIII. COMMITTEES

Standing committees shall be established by formal action of the Commission and members will be appointed by the Commission as the Commission deems necessary. The Commission may also establish Ad Hoc committees as it deems necessary. One member of each committee will be designated chairperson. These committees may consist of persons who are not also members of the Commission and shall act in an advisory capacity to the Commission.

ARTICLE IX. AMENDMENT OF BYLAWS

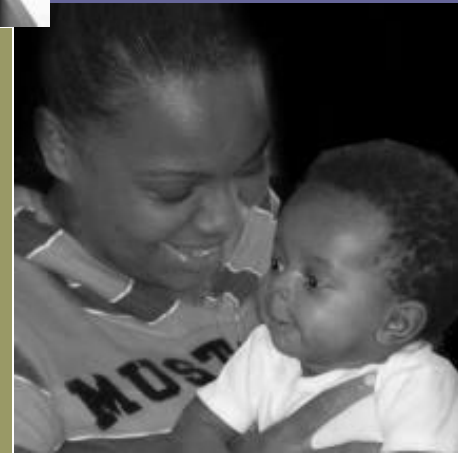
SECTION 1. AMENDMENT

Except as may otherwise be specified under provisions of law, these Bylaws, or any of them, may be altered, amended, or repealed and new Bylaws adopted by approval of the Commission at any duly- noticed regular or special meeting.

ADOPTED: By a vote of 8 to 0 on August 26, 1998

AMENDED: By a vote of x to x on October 15, 2015

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A Conversation About Family Engagement

Deborah Roderick Stark
October, 2015

+ Our plan for today



- What is family engagement?
- Why is family engagement important?
- How is family engagement different from family involvement?
- What guidance is available to bolster family engagement practice in early childhood and K-12?
- What are examples of family engagement in our community?
- What role could First 5 Alameda County play to uplift family engagement practices in service of children's school readiness?

+ Context



+ What is family engagement?

- A shared responsibility between home and program/school in service of child outcomes
- Continuous across a child's life, from cradle to career
- Recognizes and honors a family's culture
- Carried out everywhere children learn – at home, in early childhood programs, in school, in after-school settings, in faith-based and community programs



+ Why is family engagement important?

When families are actively engaged in their children's learning, ***children are better prepared for school and achieve at higher levels.***

Integrating high-impact family engagement practices, especially in early childhood and elementary school, can ***significantly accelerate and sustain gains for low-income students.***

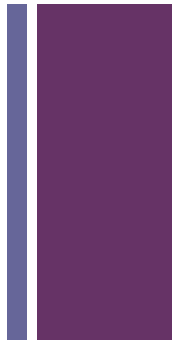
Engaged and informed ***parents are better consumers*** as they know what their child needs, how to make the best-informed choices, and how to partner with educators.

(Henderson and Mapp, 2002; Westat and Policy Studies Associates, 2001)





What is the difference between involvement and engagement?



Individual Responsibility		Shared Responsibility in Partnership
Deficit-Based/Adversarial		Strength-Based and Collaborative
Random Acts		Systemic
Add-On		Integrated
Events Driven		Learning and Outcomes Driven
Compliance		Ownership and Continuous Improvement
One-Time Project		Sustained

+ Systemic and sustained family engagement



Systemic and sustained family engagement is anchored in leadership priorities, program management, program budgeting, continuous improvement plans, and staff development.

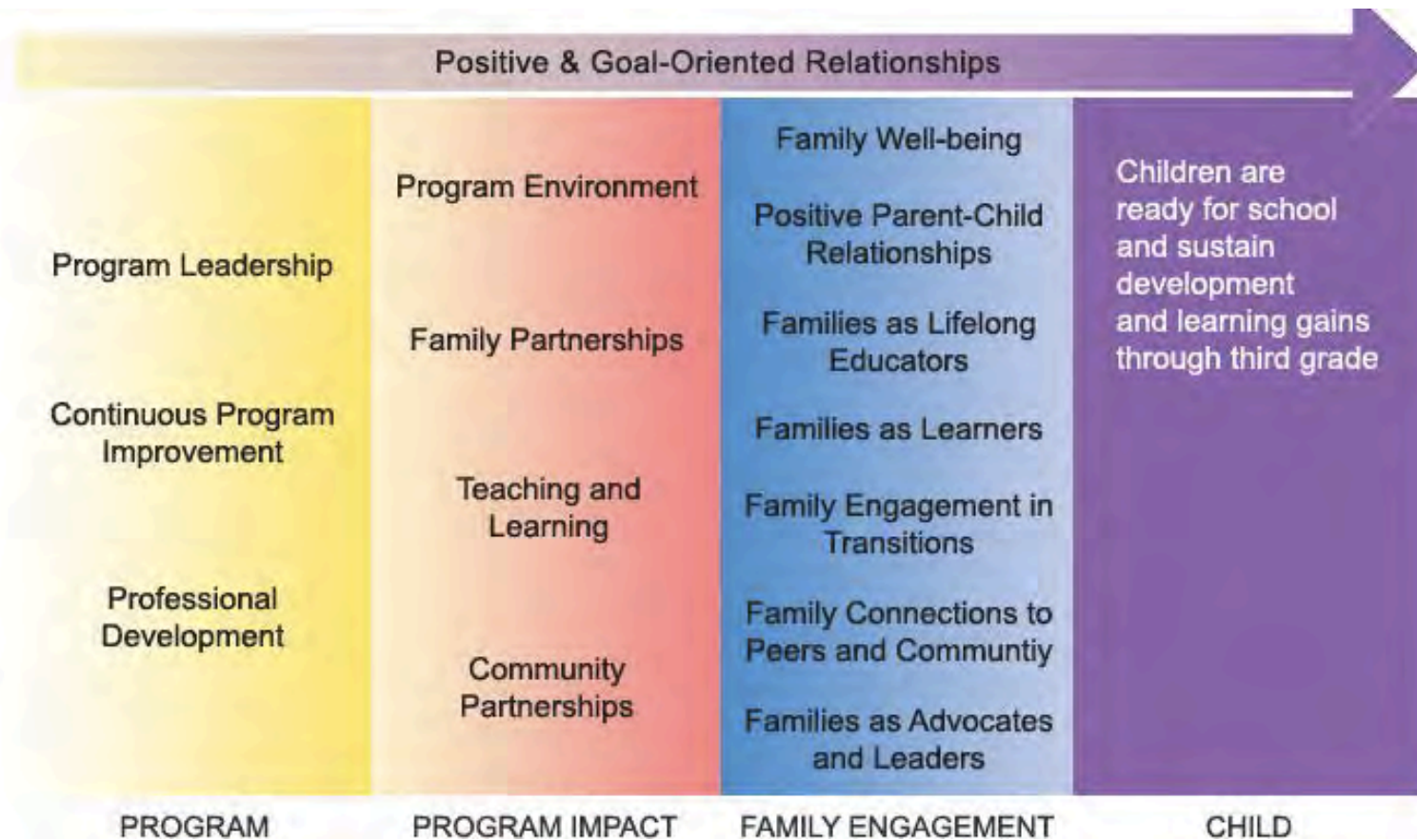


Two federal frameworks guide family engagement practice



- Head Start Parent, Family, and Community Engagement Framework
 - English:
<https://eclkc.ohs.acf.hhs.gov/hslc/standards/im/2011/pfce-framework.pdf>
 - Spanish:
<https://eclkc.ohs.acf.hhs.gov/hslc/Espanol/participacion/docs/pfce-framework-spanish.pdf>
- Partners in Education: A Dual Capacity-Building Framework for Family-School Partnerships
 - <http://www2.ed.gov/documents/family-community/partners-education.pdf>

+ Head Start PFCE Framework



+ USDE Dual-Capacity Framework





What are the most effective family engagement strategies?



- Building personal relationships & mutual understanding
- Engaging in frequent & positive communication, face-to-face
- Listening to families about their children's interests & needs
- Sharing learning materials & modeling teaching practices
- Incorporating content from families' cultures into programs
- Aligning family engagement activities with program / school improvement
- Developing families' skills to advocate for their child

Examples of Family Engagement in Our Community



Clarissa Doutherd, Executive Director
Parent Voices Oakland

Pecolia Manigo, Associate Director,
Bay Area Parent Leadership Action
Network (PLAN)

+ Discussion



1. Where have you seen effective family engagement in our county? What does it look like? What do we know of its impact? Is it scalable?
2. What more could we do to support:
 - parents so they can be their child's first teacher and systems navigator.
 - organizations/systems so they incorporate family engagement in all aspects of programs to achieve systemic and sustained engagement.

+ For More Information

- Join the National Association for Family, School, and Community Engagement – www.NAFSCE.org
- Subscribe to Harvard Family Research Project publications – www.HFRP.org
- Visit the Head Start Early Childhood Learning and Knowledge Center – www.eclkc.ohs.acf.hhs.gov
- Call me!

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family at the center

SEPTEMBER 2015



Recommendations on
family engagement
from early childhood
stakeholders in
Los Angeles County





family at the center

Recommendations on family engagement from
early childhood stakeholders in Los Angeles County

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Prepared by Harder+Company Community Research with support from the Los Angeles Partnership for Early Childhood Investment and Deborah Roderick Stark, consultant.

Environmental scan and report funded by the David and Lucile Packard Foundation. For more information about the Foundation, visit packard.org.

Harder+Company Community Research is a comprehensive social research and planning firm with offices in San Francisco, Sacramento, San Diego, and Los Angeles, California. Harder+Company's mission is to help our clients achieve social impact through quality research, strategy, and organizational development services. Since 1986, we have assisted foundations, government agencies, and nonprofits in using good information to make important decisions for their future. Our success rests on providing services that contribute to positive social impact in the lives of vulnerable people and communities. To learn more about Harder+Company, visit harderco.com.

The LA Partnership for Early Childhood Investment is a philanthropic funding collaborative comprised of some of the county's largest private foundations, impactful family foundations, and public funders of early childhood development. The LA Partnership for Early Childhood Investment is dedicated to realizing the potential of every child in Los Angeles County. We are a diverse collaboration of funders and government agencies that promotes innovations to prepare children for success when it is most effective and impactful for us all: in the earliest years.

About this report

To better understand how family engagement supports school readiness in Los Angeles County, the David and Lucile Packard Foundation and the LA Partnership for Early Childhood Investment convened an advisory group of early childhood leaders and stakeholders to provide advice and explore opportunities to strengthen parent engagement. Harder+Company Community Research and consultant Deborah Roderick Stark brought additional expertise and support by facilitating stakeholder discussions and documenting assets, gaps, and opportunities through a scan of the literature and other relevant data sources (a complete list of advisors and data sources can be found in the Appendices).

The advisory group discussions focused on formal early learning and health settings, as well as informal and community settings where parents, families, and caregivers interact and connect. Discussions were guided by the following broad questions:

- What efforts currently exist to engage diverse parents in multiple settings (informal and formal childcare/early education and health) in Los Angeles County?
- What are the key barriers and challenges to parent engagement?
- What gaps and needs have been identified by parents, caregivers, and providers?
- What innovative and evidence-based models or practices could be expanded or replicated in Los Angeles County?
- What opportunities exist to leverage existing funding streams, initiatives, places, and spaces?

This report summarizes key insights and recommendations that emerged through these discussions and additional research about parent engagement programs and practices. It sheds light on opportunities to leverage existing efforts and innovative and evidence-based models that are ripe for replication. We hope the information and insights highlighted in this report can serve as a resource for all funders and stakeholders interested in strengthening parent engagement in Los Angeles and other communities around the country.

Engaged families, thriving children

Overview

Parents and families play a vital and lasting role in shaping a child's sense of self, igniting their curiosity, and cultivating the skills and attributes that contribute to early learning, healthy development, and success in life.¹ But families need information and resources to provide enriching and nurturing environments where the children in their care can thrive and grow.

Across the country, policymakers, funders and early childhood advocates are calling for new approaches to authentic family engagement. In July 2014, a White House symposium endorsed “a more equitable approach to family engagement based on family strengths as well as shared responsibility assumed by families, schools, and communities... across time and in the many settings where children learn.”² The Office of Head Start National Center for Parent, Family, and Community Engagement argues that “family engagement is everyone's business,” and works to coalesce partners and fuel a broader national movement to embed collaborative, strengths-based, culturally affirming approaches in early childhood organizations and programs.



Many Los Angeles County stakeholders agree that current family engagement practices—where they exist—are inconsistent and do not adequately support and engage families as partners. They believe there are many untapped opportunities to make authentic family engagement a core value and central component of health, educational, and service delivery systems.

Opportunities to strengthen family engagement

Three broad recommendations emerged from advisory group discussions. These recommendations are introduced here, and explored in greater detail throughout the “Opportunities to strengthen family engagement” section of this report.

COMMUNITY

Support families to be their child’s first teacher by strengthening connections to resources and social support in community-based settings. This includes building on the strengths of parents and informal providers by promoting peer support models, social connections, and strategies to enrich community settings with skill-building programs.

FORMAL CARE

Strengthen family engagement practices in early education and health settings. Health and early education settings are critical touchpoints for families and formal institutions. They also represent important opportunities to institutionalize authentic and culturally responsive family engagement practices that help parents navigate formal systems and advocate for the services they need. Institutional commitments can include training staff to effectively engage families, seek and respond to parent questions and concerns, and co-create plans for supporting their children’s development.

SYSTEM SUPPORTS

Promote collaboration and coordination of family engagement efforts through policy, joint funding, and replication of effective practice. Authentic family engagement requires a shift in mindsets and an integrated approach that promotes seamless connections across programs, services, and systems. Creating a more streamlined continuum of care will make it easier for parents to engage system supports. Promising approaches include identifying opportunities to leverage existing funding streams, promote favorable policies, and support informed decision making with robust data, research, and evaluation.



Early childhood in Los Angeles County

A populous and diverse region

With nearly 10 million residents, Los Angeles is the most populous county in the United States and home to more than a quarter of California's residents. If it were a state, Los Angeles County would be the ninth largest in the country. The county is remarkably diverse and a hub for immigration. As newcomers to a region, immigrants often face isolation and lack connections to resources and supports in their communities. Young children of immigrants make up 47% of children ages 0 to 5 in the state of California, with Hispanic immigrants representing the greatest proportion.³ In Los Angeles County, there are approximately 800,000 children between the ages of 0 to 5, and nearly 60% of births in 2012 were to families of Latino/Hispanic origin.⁴

A challenge to connect

Between birth and a child's transition to school, there are multiple touch points and opportunities to engage families and strengthen connections with formal systems and other social supports. But in Los Angeles County, this is a complicated endeavor. While the county has considerable resources, it is difficult for families to engage with formal systems and navigate what stakeholders describe as "a fragmented region" with "complex siloed systems." Continuity of care and collective efforts to improve systems have historically been a challenge in counties as large, diverse, and expansive as Los Angeles.

Los Angeles County is home to a culturally and linguistically diverse population with a broad range of experiences, perceptions, and beliefs about parenting and engaging with formal systems. This context makes Los Angeles a valuable laboratory for understanding the opportunities and challenges of family engagement in early education and healthcare settings.

IN CALIFORNIA

47%

of children under the age of 5 have immigrant parents



IN LOS ANGELES COUNTY

there are

800,000

children under the age of 5

57%

of children born in 2012 are of Latino/Hispanic origin

Foundational concepts guiding this work

Rich discussions with the Los Angeles advisory group resulted in several foundational concepts that are central to all of the goals and strategies presented in this report. These were ideas that advisors felt were important to establish at the outset of the process. Specifically, the group called for:

- An **expanded focus on family engagement** (as opposed to a more narrow focus on *parent*) given that families take many forms and many extended family members play critical roles in nurturing and caring for young children.
- A **common definition for family engagement** that draws upon the work of family engagement researchers and practitioners nationwide, and that promotes a *cultural context* that puts children and families front and center.
- A set of **principles for effective practice** that reflect the value of an authentic and strengths-based approach to family engagement—embraced and institutionalized within organizations and across communities.
- An appreciation for local **communities as laboratories** where innovative solutions bubble up and **social connections** are strengthened.
- A **focus on groups that are less connected** with formal systems and supports such as foster parents, men/fathers, working parents, and those caring for children under 3 years old—most often informal care providers, commonly referred to as family, friends, and neighbors, or “FFN.”

“What matters most for the healthy development of an individual child is the quality of interactions the child has with adults and the experiences to which the adults expose the child.”

~ the David and Lucile Packard Foundation
Starting Smart Brief

Defining family engagement

Informed by the National Association of Family, School, and Community Engagement, the advisory group adopted the following definition for “high-impact family engagement”:

High impact family engagement is a shared responsibility among providers, caregivers, and families in which institutions and organizations commit to working with families in meaningful and culturally respectful ways. Family engagement is continuous across a child’s life from cradle to career and carried out everywhere children learn—at home, in childcare settings, in health settings, and in community places and spaces.⁵

Guiding principles for effective family engagement

The advisory group also vetted and adopted a core set of principles for effective family engagement practices. When crafting these, the advisors reflected on the principles that have emerged from the broader family support field and stressed the need to embrace these principles across systems that serve families with young children.

- **Foster mutual respect, shared responsibility, and trusting relationships:** Respectful and trusting relationships between parents and providers are critical ingredients for effective family engagement efforts. Building trusting relationships takes time but ultimately bolsters a sense of shared responsibility and connections to responsive services and supports.
- **Support strong social networks and connections:** In addition to trusting relationships, creating space to further strengthen existing social networks and connections among parents and caregivers is an important part of effective parent engagement. This may happen in informal community settings or as a structured part of parent engagement programs.
- **Engage families where they are:** Family engagement programs should be highly accessible and engage families in places and times that are safe and convenient. In addition, they should be strengths-based, responsive to the diverse needs of families, focus on assets and protective factors, and develop over time to deepen and broaden engagement.
- **Respect, value, and be responsive to cultural and linguistic assets:** Culturally and linguistically responsive programs and providers are also critical. Providers should understand and respect cultural assets, norms, and experiences that impact family development and influence families' receptiveness to engagement strategies. Making adaptations (e.g., language, settings) to fit the appropriate cultural context makes programs relevant and accessible.
- **Identify opportunities to strengthen an integrated systems approach:** Parent engagement occurs in multiple settings and systems where providers, families, and children interact, learn, and play. A systems approach should be family-centered, promote and institutionalize—at its core—the value and practice of parent engagement strategies, and create seamless connections across programs, services, and systems. When possible, programs and services should be coordinated to promote and reinforce continuity of care, build on existing parent engagement efforts in the community, and extend reach through existing services and resources.

Family engagement settings

Early childhood field stakeholders discussed three settings for family engagement.

Informal childcare settings: Informal care providers are typically extended family members, neighbors, friends, and other adults (often referred to as families, friends, and neighbors or "FFN") who may or may not receive some sort of compensation for providing care. Many informal caregivers are parents themselves and care for other people's children as well as their own.

Formal childcare settings: Licensed childcare providers are based in a designated care center or in a caregiver's home. Programs include transitional kindergarten, preschool, Head Start, Early Head Start, and other similar arrangements.

Healthcare settings: Prenatal care, birth, and well-baby visits are often the first touchpoints that families have with healthcare institutions. Offices of obstetricians, pediatricians, family practitioners, medical clinics, and other healthcare providers focus on young children or families.

Opportunities to strengthen family engagement

The advisory group defined three primary recommendations for strengthening family engagement. Together, these recommendations aim to support parents and caregivers as their child's first teacher, create opportunities for building critical social networks, and influence formal settings and systems to effectively engage families in ways that contribute to children's early learning and healthy development. The ultimate goal is to ensure children are ready for school and on track for success in life. The following section reviews background, offers key themes and strategies to strengthen family engagement, and highlights promising programs.



COMMUNITY

Support families to be their child’s first teacher by strengthening connections to resources and social supports in community-based settings

The first recommendation focuses on strategies to build on the strengths of parents and informal providers by promoting peer support models, social connections, and strategies to enrich community settings with skill-building programs.



Background

In Los Angeles County, 58% of children age 0-3 and 33% of preschool aged children are cared for by family members, friends, and neighbors.⁶ Family care arrangements (particularly with grandmothers) are more common than friends and neighbors, with Spanish-speaking women making up a significant portion.^{7,8} A recent survey sponsored by First 5 LA also suggests most parents (80%) with children ages 0 to 5 prefer to stay at home or have a stay-at-home parent who cares for their child.⁹

Given the significant number of young children cared for by parents and informal caregivers, Los Angeles stakeholders underscored the fundamental importance of strengthening family engagement in informal and community-based settings. Social connections, respecting and being responsive to cultural and linguistic assets, and “meeting families where they are” comprise the critical principles for authentic family engagement.

IN LOS ANGELES COUNTY



The Center for the Study of Social Policy (CSSP) works to secure equal opportunities and better futures for all children and families by shaping policies and systems. Its **Strengthening Families Protective Factors** framework has been applied by public agencies in more than 30 states. First 5 LA, a major early childhood funder that has invested over \$1.2 million in Los Angeles County since 1998, has also adopted this framework. The framework highlights the importance of social connections between friends, family members, neighbors, and community members. Research shows that these groups can build family strength and promote optimal youth development by providing emotional support, helping solve problems, offering parenting advice, and giving concrete assistance to parents. These networks of support are essential for thriving families and also offer opportunities for people to give back to their community.¹⁰

Strengthening Families Protective Factors

- parental resilience
- social connections
- knowledge of parenting and child development
- concrete support in times of need
- social-emotional competence of children

Source: *The Center for the Study of Social Policy*

The Early Learning Lab is a new venture supported by the Packard Foundation devoted to supporting innovation and learning in the early childhood field. Specifically, the Early Learning Lab is interested in testing and showcasing scalable solutions for enhancing caregiver skills to support children's learning and school readiness. Some of these practices already are part of programs that Los Angeles stakeholders identified as supporting parents and informal care providers. Including these practices in local community programming may benefit adults and children alike, especially given that a majority of children are cared for by people who have no formal childcare training and little access to information about developmentally appropriate learning environments for young children.



“Parent engagement is about power. Power for parents to make decisions for themselves and their families.”

~ Best Start community member

Key Themes and Strategies



SUPPORT SOCIAL CONNECTIONS THAT BUILD ON STRENGTHS OF FAMILIES AND INFORMAL CAREGIVERS

Informal caregivers say they often trust and feel more comfortable with other parents and caregivers than with formal organizations and providers.¹¹ One key strategy to help parents and informal providers strengthen their role as the child's caregiver and first teacher is to create more opportunities where they can connect and learn in naturally existing community places and spaces. Members of the advisory group emphasized the need to incorporate cultural assets and build on parent strengths in existing settings where they provide care and/or interact with children (e.g., home, parks, libraries, schools, laundromats, etc.).

Many informal caregivers are monolingual, Spanish-speaking immigrants who may feel isolated and disconnected from valuable community resources. In addition, new immigrant families may avoid engaging with educational, health, and social service systems due to a lack of awareness as well as diverse beliefs, experiences, and perceptions about engaging with these systems. These isolated caregivers may limit how they engage the children in their care by keeping the children at home, making social connections even more critical.^{12, 13}

Learning activities that foster adult-child interaction and exploration to prepare children for preschool and kindergarten can be incorporated into existing programs and settings such as play in recreational parks, community centers, family resource centers, and libraries. Several stakeholders mentioned the opportunity to better leverage libraries by making them more culturally inviting to diverse residents and by integrating opportunities for children and adults to explore and learn.

The advisory group identified several programs and initiatives that fall into four major categories. Examples discussed include:

Place-based initiatives

Research and experience show that strong and supportive communities enable all children and families to succeed and thrive. As a result, funders and public officials have made targeted investments in place-based efforts to improve outcomes for families across the country and in Los Angeles County.

Best Start, an initiative of First 5 LA, builds community capacity and strengthens social connections in 14 low-income communities. Best Start brings together parents, church groups, businesses, local officials, nonprofits, and other stakeholders to collectively develop and implement strategies that help ensure children are healthy, safe, and ready to learn. The initiative incorporates Strengthening Families Protective Factors and provides opportunities to build parental leadership, capacity, and stronger social connections among parents/caregivers, providers, and local organizations.

Peer-to-peer skill building

Building on cultural and linguistic assets, peer-to-peer efforts encourage social connections that build caregiver skills in familiar settings. Several Los Angeles-based organizations such as Families in Schools and Abriendo Puertas have peer-to-peer programs and professional development trainings discussed later in this report. In addition to the programs below, peer-to-peer efforts include “buddy systems”¹³ where families become mentors to other caregivers. Mentors can help families connect to resources and invite them to “Parent Cafés” for meaningful and relevant conversations that incorporate the five Strengthening Families Protective Factors.¹⁴

Preschool Without Walls is a culturally and linguistically based early learning program available in parks, libraries, community centers, and faith-based institutions in various parts of Los Angeles County. The program, designed for parents and caregivers, builds the capacity of parents and caregivers to be their child’s first and life-long teacher. It also promotes healthy child attachments and bonding. Parents get to know other parents, strengthen their child development skills, and learn activities that they can practice at home to support early literacy and school readiness in young children.

Early Learning Readiness Program is a national pilot program that helps family, friend, and neighbor caregivers provide a preschool-like experience for the children. As one of the YMCA’s signature programs, it seeks to address the achievement gap by improving the school readiness of children who might otherwise start school at a disadvantage compared to their peers. Based on a travelling preschool in Hawaii called Tūtū and Me, this program uses trained facilitators to work with young children and their parents or informal caregivers.

Employer initiatives

Working families often struggle to identify relevant, high-quality programs for their children. Some employers offer community-based engagement programs to employees and their families.

The Parent to Parent, Building to Building, School to School project from the UCLA Labor Center is an example of how employers can support family engagement. Immigrant parents in low-wage sectors face a particularly acute challenge compared to many other groups. This project trains workers in downtown Los Angeles to conduct parent engagement workshops with other parents who have similar jobs.

Technology supports

Technology can make resources readily accessible anywhere and anytime. Family-friendly websites, apps, and texting programs help families and caregivers learn activities and skills that support early learning, brain development, and holistic health in their children.

Vroom (joinvroom.org) offers a website and application that shows parents how to turn everyday moments into brain building activities. Parents are encouraged to make eye contact, chat, stretch ideas, follow their child’s interests, and take turns with their child.

Text for Baby (text4baby.org) is a free text messaging service that provides expectant and new mothers with text messages three times per week, aligned with their due date through the baby’s first birthday. Information is developed by experts from all over the country. Personalized messages include information such as nutrition for mother and baby, safe sleep tips, baby’s milestones, doctor visits and appointment reminders, breastfeeding advice, health insurance information, and additional resource hotlines and websites.

FORMAL CARE

Strengthen family engagement practices in early education and health settings

The second recommendation focuses on health and early education settings, which are critical touchpoints for families and formal institutions. They also represent important opportunities to institutionalize authentic and culturally responsive family engagement practices that help parents navigate formal systems and advocate for the services they need. Institutional commitments can include training staff to effectively engage families, seek and respond to parent questions and concerns, and co-create plans for supporting their children's development.



Background

Early childhood experts encourage formal care providers to invest more in family engagement. Mario Small, Harvard University professor and author of *Unanticipated Gains*, contends that stronger family engagement is an institutional issue and “successful change requires the various components of the system to work in concert.” Small offers a compelling school-based example: “A teacher’s rapport with parents is shaped by the policies of the principal; a parent’s engagement with the child is informed by the incentives of the school.”¹⁵ Anthony Bryk, President of the Carnegie Foundation for the Advancement of Teaching and co-author of *Organizing Schools for Improvement*, calls close ties with families and community one of five essential ingredients for school success. Bryk’s recommendations call for transparency and partnership. He encourages teachers to allow parent observations, to make an effort to understand families’ concerns, and to see families as partners in improving student learning.¹⁶

“Parent education is not an add-on. It’s integral ...”

~ Los Angeles stakeholder



Los Angeles stakeholders identified several opportunities for formal organizations to shift their mindsets, deepen their commitment, and reimagine family engagement. They also recognized the importance of replicating and scaling evidence-based models, while not overlooking innovative practices and programs that show early signs of promise.

Key Themes and Strategies

The following section highlights a number of themes that emerged through the discovery process, including:

- Galvanize commitment to institutionalize authentic family engagement in formal settings
- Connect with families outside of traditional settings
- Engage family members who are often less connected
- Support innovative programs and evidence-based models in healthcare settings
- Support innovative programs and evidence-based models in early childcare settings



GALVANIZE COMMITMENT TO INSTITUTIONALIZE AUTHENTIC FAMILY ENGAGEMENT IN FORMAL SETTINGS

Opportunity exists in both early learning and health settings to do more to engage families as partners and “meet them where they are with what they need.” There was collective agreement among Los Angeles advisors about the need to galvanize institutional commitment at all levels of an organization—from the frontline staff to the highest levels of leadership—thereby contributing to an organizational culture that recognizes, values, and supports family engagement. The advisory group discussed a variety of opportunities to create organizational cultures that embrace family engagement as a core value. Some examples include:

Head Start provides useful tools and resources to help all early childhood programs collaboratively identify “markers of progress” for deepening engagement with parents, families, and community partners.¹⁷

Strengthening Families Protective Factors have been adopted by many Los Angeles-based organizations. While widespread, the framework’s impact is limited because “no one is being trained to focus on these things.” More professional development is needed to promote strengths-based and collaborative approaches, and to create a family-centered organizational culture.

Families In Schools, a Los Angeles nonprofit, envisions a public education system where students have the opportunities and resources necessary to succeed in school and in life. The organization’s key ingredients for creating a welcoming environment for families include:

- Establish policies and practices that acknowledge traditional and nontraditional families
- Create an open-door policy and climate in the school that is responsive to parents and their concerns
- Provide translations of printed material and make translators available for all languages spoken in the school, including sign language for hearing-impaired families
- Arrange for flexibility in routine tasks such as registration and orientation (online options, telephone options, day and evening hours, etc.) to accommodate different family needs
- Consider varied family needs and preferences when scheduling meetings and school events; offer childcare, transportation, and refreshments for participating families
- Recognize the special time constraints on families who have children with disabilities or who are caring for aging parents
- Recognize and welcome parents/guardians with same-gender partners



CONNECT WITH FAMILIES OUTSIDE OF TRADITIONAL SETTINGS

It is essential to meet families where they are, both figuratively and literally. Opportunities exist to connect families to resources and support outside of traditional health and early childcare settings. An example repeatedly cited by stakeholders is the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), which serves nearly 60% of all children ages 0 to 5 in Los Angeles County.¹⁸ Embedding family engagement programming at WIC centers, neighborhood parks, laundromats, houses of worship, and other places where families convene is a promising approach for further exploration.

Similarly, Los Angeles stakeholders highlighted the need to engage working families, including those who work irregular hours and/or multiple jobs. These families cannot participate in parenting programs that are offered only during their work day. Lack of family participation in programs is often not due to lack of interest, but rather a lack of accommodation of parent schedules.



“Providers serving children ages 0 to 5 need quality tools and training on how to effectively and authentically partner with families to support life-long success.”

~ Los Angeles Stakeholder



ENGAGE FAMILY MEMBERS WHO ARE OFTEN LESS CONNECTED

Los Angeles stakeholders were especially concerned that family engagement programming is too narrowly targeted. By focusing primarily on mothers and traditional family structures, organizations often fail to reach fathers and foster parents, who play an increasingly active role in childrearing and childcare.

Engage fathers

In Los Angeles County there has been growing momentum for programs that support the engagement of fathers. Recent reports suggest that fathers spend five more hours on childcare each week than they did fifty years ago.¹⁹ Additionally, a recent study of Early Head Start families found that father engagement was associated with increased security and exploration among toddlers and stronger math and reading skills in the fifth grade.²⁰

Project Fatherhood at the Los Angeles-based Children's Institute engages low-income fathers in the care and upbringing of their children. The program is a result of the Responsible Fatherhood Initiative, which is funded by the U.S. Department of Health and Human Services and the Administration for Children and Families, Office of Family Assistance.²¹

The Protective Factors Education Campaign sponsored by First 5 LA will focus on how to best talk to families and disseminate information on child development. Fathers will be targeted in this campaign, as they were found to be an important population to support.²²

Support foster parents

According to a report by First 5 LA, there has been an increase in the rate of substantiated abuse and neglect in Los Angeles County among children prenatal to age 5, which negatively impacts a child's socio-emotional development, health, and school readiness.²³ Children raised in foster care face higher risks for mental health issues and developmental delays than their peers.²⁴ In 2014, nearly 10,000 children in Los Angeles County entered the child welfare system, of which over half were ages 0-5.²⁵ Advisors identified foster parents as a group that may be under-supported and can benefit from informal and formal efforts to bolster their skills and social connections. It is especially important to provide foster parents the additional support they need to effectively recognize and respond to the impact of traumatic stress and re-traumatization of young children in their care. Some current efforts to consider are:

The Foster and Kinship Care Education program provides training and education to potential and current foster parents. It is administered through the California Community Colleges Chancellor's Office.

The Quality Parenting Initiative (QPI)²⁶ is a joint effort between the Youth Law Center, California Department of Social Services, and the County Welfare Directors Association. The goal of QPI is to ensure that every child removed by Child Protective Services is cared for by a family that provides skilled, nurturing parenting and helps maintain connections with family, and that the foster parent is a respected partner in the child welfare system.



SUPPORT INNOVATIVE AND EVIDENCE-BASED MODELS IN HEALTHCARE SETTINGS

Healthcare experiences are some of the first points of contact families have with formal systems, making these settings an ideal opportunity to engage families early and in meaningful ways. Data indicate 97% of mothers in Los Angeles County complete well-baby check-ups, but pediatricians and health professionals often have limited time with families, and medical offices are typically ill-equipped to provide care coordination and service referrals.²⁷ Enhanced care coordination, warm hand-offs, and strategies for sustaining engagement over time can all improve effectiveness.

Expand home visitation

Home visitation programs have been around for decades and, by design, work to build parenting skills that support children's early development. Los Angeles has the largest investment in home visitation programs in the county, offering a continuum of programs that are funded by county, state, and federal sources. In addition to the examples mentioned below, several others include Early Head Start, Nurse Family Partnership, Healthy Families America, and Parents As Teachers.

Welcome Baby is a voluntary, home visiting program for pregnant women and new families. Nurses, hospital liaisons, and parent coaches provide information and resources both in the hospital and at home. Welcome Baby works with approximately 14 hospitals in First 5 LA's Best Start communities and offers services that span from light-touch support and referrals to more intensive programs based on a family's needs. Additional efforts help link new mothers with Best Start activities as a way to foster social connections and community engagement.

Los Angeles County Perinatal and Early Childhood Home Visitation Consortium is developing a more coordinated, cohesive, and comprehensive approach to what is currently a fragmented collection of home visiting programs across the county.



Increase use of developmental screenings in primary care settings

Los Angeles stakeholders noted the importance of early identification and intervention for developmental delays by ensuring all children receive screening as early as possible. Developmental screenings are part of the California Quality Continuum Framework developed through the Race to the Top Early Learning grants that are now being used as the basis for Quality Rating Improvement Systems (QRIS). Screening tools, such as Parents' Evaluation of Developmental Status Online (PEDS Online), Ages and Stages Questionnaire: Third Edition (ASQ – 3), and Ages and Stages Questionnaires: Social Emotional (ASQ – SE2), help to jumpstart conversations between providers and families about their child's development. Parent observation is valued and strategies are co-constructed to best support children.

Help Me Grow, a program implemented in many states and communities, builds on existing resources in a community and weaves them together to create a system for identifying and supporting children ages 0-8 who are identified as at-risk. Help Me Grow includes comprehensive physician and community outreach as well as centralized information and referral centers that link families with programs and services. Ongoing data collection and analysis also help identify gaps in and barriers to the system.²⁸

“Family engagement is everybody’s business.”

~ The Office of Head Start National Center for Parent, Family, and Community Engagement

In 2005, Orange County became the first county in the country to pilot the Help Me Grow model for replication and California became a HMG affiliate state in 2011. Since that time, eight California counties have become affiliates, and another 14 are part of a learning community exploring potential implementation. As part of its 2015-2020 strategic plan, First 5 LA has expressed its intention to build on the infrastructure of past successes with developmental screening programs, such as the Early Developmental Screening Initiative (EDSI), to further implement Help Me Grow in Los Angeles County.

Promote care coordination and navigation

Families often need services from multiple systems to support their child's development, but coordinating this support can be overwhelming. An integrated system requires systems navigators and care coordinators. Models and approaches that surfaced through this scan are described below.

Project DULCE is an evidence-based clinical intervention for families with children birth to six-months that leverages the community health worker model and focuses on the Strengthening Families framework. With family engagement at its center, Project DULCE partners to build strengths and skills that foster optimal child health and development. It provides parents of newborns with information about their child's developmental needs, and the project's efforts within medical-legal partnerships have yielded significant access to concrete family supports. Additionally, to ensure continued family support throughout the child's most critical months and years, Project DULCE Family Specialists seamlessly transfer infants 6 months and older to a primary care team and other service providers in the community. As part of its 2015-2020 strategic plan, First 5 LA plans to expand this model at health centers that offer parent engagement and care coordination.²⁹

Healthy Steps is a successful primary care model that includes a child development specialist who conducts developmental screening, provides age-appropriate guidance, and parent education. Evaluations of Healthy Steps have found it to be effective in improving parenting practices and child development outcomes, however stakeholders noted the persistent challenge of securing sustained funding.

Health Neighborhoods is a placed-based model that seeks to increase access to underserved groups. It is being tested by the Los Angeles County Department of Mental Health. One key strategy is the implementation of place-based community clubhouses for children ages 0 to 5 and their families. Clubhouses are designed to address trauma associated with social isolation and disrupted relationships. In addition to helping parents learn developmentally appropriate play activities and socioemotional literacy, at-risk children will receive referrals to other services and systems.³⁰

211 LA Developmental Screening and Care Coordination program conducts developmental screenings and connects families to appropriate services through an extensive network of providers. Numerous Los Angeles stakeholders encouraged leveraging the 211 LA model, noting its success in helping isolated and at-risk families, as well as its cross-system data sharing. A study is underway to test the effectiveness of telephone-based screening and care coordination through 211 LA for children ages 18 to 36 months. One stakeholder mentioned examples of the Help Me Grow model (which does not conduct assessments), joining forces with 211 programs in other regions which may be worth exploring in Los Angeles County.





SUPPORT INNOVATIVE AND EVIDENCE-BASED MODELS IN EARLY CHILDCARE SETTINGS

Los Angeles stakeholders stressed the importance of supporting both innovative programs as well as evidence-based models that transform formal early childcare programs into hubs for family engagement. Developmental screenings happen in many settings, including early childcare and education. For example, all Head Start and Early Head Start programs are required to conduct developmental screenings, and many home visiting and childcare programs (especially center-based, publicly subsidized programs) have made developmental screenings part of their practice. Specific suggestions are outlined below.

Train early care providers to engage families in supporting child development

Los Angeles stakeholders identified opportunities to build capacity among early care providers to embrace new effective practices and use established models and curriculum to work collaboratively with families.

Given the local emphasis on the Strengthening Families framework, stakeholders also identified the need for more provider trainings on this model, with an emphasis on partnering with families in multiple settings.

The Center for the Study of Social Policy offers trainings for “child and family-serving professionals” and is aimed to engage parents as partners. CSSP works with the National Alliance of Children’s Trust and Prevention Fund to offer in-person and online training options that support the implementation of the protective factors including content and materials on partnering with parents and concrete examples of everyday actions that strengthen families.³¹

Stakeholders suggested that training efforts can align with the core competencies for prenatal to age 3 developed by First 5 LA and the ZERO TO THREE Western Office. These competencies are now being expanded to cover prenatal to age 5 and incorporate five critical domains of early development and learning, including: 1) early care and education, 2) mental health, 3) physical health, 4) child welfare, and 5) early intervention. They also cover eight critical practices, including but not limited to, family-centered practice, relationship-based practice, cultural and linguistic responsiveness, service planning, coordination, and collaboration.³²

Early Head Start and Head Start were frequently cited as models for family engagement. With new federal Early Head Start-Child Care Partnership funding, there may be more opportunities to extend Head Start resources and practices to formal childcare programs.

Brazelton Touchpoints is a nationally recognized organization that provides trainings on topics such as children’s development and behavior, relationship-based practices, and effective family engagement practices for early childhood providers.³³

Families In Schools offers local professional development training for staff from schools (pre-K to 12), community organizations, or any other entities working with parents on educational issues. The trainings promote best practices for engaging parents in meaningful ways. Families In Schools also provides trainings focused on creating welcoming environments and relationships to encourage parental involvement in a variety of educational settings.³⁴

Abriendo Puertas is the nation's first evidence-based comprehensive training program developed by and for Latino parents with children ages 0 to 5. The training includes lessons on early literacy, language development, civic participation, and social-emotional wellness. It promotes parent leadership, helping parents become active advocates for their children in the schools and in their community. Abriendo Puertas uses a train-the-trainer model (i.e., parents are trained to train other parents) that helps local service providers improve family outreach and retention. Abriendo Puertas has implemented a successful partnership with the Los Angeles Unified School District (LAUSD) school-based parent centers.

The partnership between Abriendo Puertas and LAUSD can be an early gateway to engaging families with the school system. Under its new strategic plan, First 5 LA plans to partner with Abriendo Puertas and learn from this program's successes to support the development of similar approaches for additional populations. The organizations also plan to work together to leverage and strengthen Abriendo Puertas' curriculum with the goal to "take the research off the shelf and make it accessible to parents in a warm and welcoming environment."³⁵

Integrate family engagement into Quality Rating Improvement Systems

Quality Rating Improvement Systems (QRIS) are a tool for establishing professional standards in early childcare programs. The Los Angeles stakeholders called for the inclusion of family engagement measures in QRIS as a way to challenge programs to deepen their institutional commitment and help families identify programs with high ratings for family engagement practices, staff training, and other standards that reflect a commitment to engaging families as partners. In addition to institutionalizing parent engagement, stakeholders also highlighted the importance of helping parents become better consumers.

Currently there are multiple QRIS in use in Los Angeles County, and leaders across several agencies are working to integrate and streamline these tools. While QRIS efforts create an ideal opportunity to integrate a family engagement component into the rating system, it is important to note that provider participation in these voluntary systems is quite low. According to a recent report from the Advancement Project, less than one-tenth of all childcare centers and about 2% of all family childcare homes in Los Angeles County are participating in a QRIS effort.³⁶

SYSTEM SUPPORTS

Promote collaboration and coordination of family engagement efforts through policy, joint funding, and replication of effective practices

The advisory group’s third recommendation acknowledges that authentic family engagement requires a shift in mindsets and an integrated approach that promotes seamless connections across programs, services, and systems. Creating a more streamlined continuum of care will make it easier for parents to engage system supports. A promising approach includes identifying opportunities to leverage existing funding streams, promote favorable policies, and support informed decision making with robust data, research, and evaluation.



Background

Effective family engagement requires a coordinated approach that bridges the many systems, programs, and settings where families with young children live, learn, work, and seek services. Given the scope and scale of Los Angeles County, systemic coordination is not an easy task. However, there are numerous opportunities to coordinate, collaborate, and leverage current funding streams, initiatives, places, and spaces. There are also opportunities to support advocacy efforts and advance discussions and policies that are important to families with young children. This section highlights systemic strategies, regional assets, and opportunities for a more robust system of family engagement.



“When do public systems get into the game of community building?”

~Los Angeles Stakeholder

Key Themes and Strategies

The following section highlights a number of themes that emerged through the discovery process, including:

- Shift mindsets and change the conversation about family engagement
- Leverage funding streams, resources, places, and spaces
- Identify, promote, and replicate promising policy change efforts
- Support and share research, data, and evaluation findings



SHIFT MINDSETS AND CHANGE THE CONVERSATION ABOUT FAMILY ENGAGEMENT

Consistent with other national thought leaders on family engagement, Los Angeles stakeholders echoed the need to elevate awareness about the importance of family engagement in healthy child development and to reimagine interactions between families, institutions, and broader public systems. As one stakeholder said, “Parent engagement needs to be universally embraced and practiced.” Changing the narrative can be accomplished through public education or strategic communication campaigns aimed at modifying the way organizations and communities think and talk about the role of families.

Talk, Read, and Sing, Too Small to Fail, and Campaign for Grade Level Reading are public-awareness campaigns that can help raise awareness and shift mindsets. In addition, First 5 LA plans to implement a public awareness campaign on the Strengthening Families Protective Factors. Together, these and other campaigns that have a family-centered, strengths-based focus have the opportunity to enhance a family’s sense of pride and responsibility for their role as a child’s first and life-long teacher. These campaigns may also have the potential to influence how organizations and systems think about family engagement, honor the role of families, and expand skill-sets that support children’s development and learning.





LEVERAGE FUNDING STREAMS, RESOURCES, PLACES, AND SPACES

In Los Angeles County, there are momentum and resources to support intensive place-based efforts that actively engage families and caregivers with children ages 0 to 5. The California Endowment's *Building Healthy Communities*, the California Community Foundation, and federally funded Promise Neighborhoods bring intensive resources to various communities with components that focus on early childhood. These places, initiatives, and funding streams provide additional opportunities to build on local momentum and expand family engagement practices. Other examples of local place-based and policy opportunities include:

Best Start, an initiative of First 5 LA, builds community capacity and strengthens social connections in 14 low-income communities. Best Start brings together parents, church groups, businesses, local officials, nonprofits, and other stakeholders to collectively develop and implement strategies that help ensure children are healthy, safe, and ready to learn. Best Start communities become laboratories where innovative solutions bubble up, resources are leveraged, and social connections are strengthened.

Health Neighborhoods is a place-based approach led by the Los Angeles County Department of Mental Health (LADMH), part of the Mental Health Service Act (MHSA). It seeks to support communities by creating collective will to employ various strategies for people of diverse ages to decrease risk and reduce the degree of trauma experienced by community members.³⁷

Local Control Funding Formula (LCFF) is a new process for budgeting and priority setting in school districts across California. Los Angeles stakeholders pointed to potential opportunities to embed family engagement principles and practices in this process. LCFF opens the door for school districts to increase support for the early childhood years, and family engagement is one of seven areas of focus. It is conceivable that school districts could invest in some of the evidence-based programs mentioned above to bolster parent skills and leadership, and ensure children enter kindergarten with the skills needed to be successful in the classroom.

Grade-Level Reading Disparities

According to the California Department of Education, 53% of third graders are still not reading at grade level, and the disparities are even more acute among Latino and African American students in Los Angeles County. Data from LAUSD reveal only 34% of Latinos and 37% of African American students are scoring at or above third-grade reading proficiency.

The **Campaign for Grade-Level Reading** has also gained momentum in the County over the last several years. Led by the Los Angeles Chamber of Commerce, local efforts fueled the creation of the Los Angeles Compact Collaborative, a public-private coalition of funders, businesses, and community stakeholders. More recently, the Campaign's School Readiness Working Group identified family engagement as one of its top three priorities. Specifically, they are looking to identify and support a common measure or dashboard of measurements for quality family engagement systems in Los Angeles County.



IDENTIFY, PROMOTE, AND REPLICATE PROMISING POLICY CHANGE EFFORTS

At the state level, the First 5 Association of California is rallying support for several key policy issues that impact family engagement, including universal access to a continuum of research-informed and evidence-based voluntary newborn home visiting programs. The Association is advocating to ensure that 100% of California children receive recommended developmental screenings, and calling for a statewide system of accountability to ensure children's health insurance plans cover developmental and behavioral screenings at no cost under state and federal law. Other policy objectives include expanding access to family education and parent-child learning programs that strengthen families' resilience, expanding support systems, and reducing child abuse and neglect.³⁸



SUPPORT AND SHARE RESEARCH, DATA, AND EVALUATION FINDINGS

Los Angeles stakeholders support new research, program evaluation, and building an evidence base that advances and strengthens the quality of family engagement. They also recognize the need to use and share data more effectively. In addition to sharing data and evaluation findings with organizational stakeholders, advisors stressed the importance of sharing data with families. Finally, stakeholders stressed the importance of cross-sector communication and data sharing, particularly of developmental screening results, to help improve care coordination when concerns are detected. There are a variety of current assets and efforts in Los Angeles County that can be leveraged to enhance and expand the sharing and use of data.

Children's Data Network, based at the University of Southern California, is a data and research collaborative focused on the linkage and analysis of administrative records. In partnership with public agencies, philanthropic funders, and community stakeholders, the Children's Data Network seeks to generate knowledge and advance evidence-rich policies that will improve the health, safety, and well-being of children.³⁹

Considerations for future work

As early childhood stakeholders have recommended and evidence supports, family engagement supports a child's school readiness. Much more can be done to connect with families as they nurture their children to thrive and grow.

Opportunities and areas of engagement include:

- Supporting families to be their child's first teacher by strengthening connections to resources and social supports in community-based settings
- Strengthening family engagement practices in early education and health settings
- Promoting collaboration and coordination of family engagement efforts through policy, joint funding, and replication of effective practices

Families need information and support to make critical decisions about childcare providers and to navigate the labyrinth of health and social services to advocate for their child's needs.

While it's important to support programs that build parenting skills and connect families to formal systems and services, there must be a parallel effort to build the skills and capacity of providers and systems to effectively engage families as partners and create clear pathways for families to access the services they need and want. U.S. Secretary of Education Arne Duncan refers to this as a "dual-capacity" framework and is encouraging K-12 schools to focus on building the skills of families as well as educators and educational systems to engage families in support of student achievement.

Stakeholders in Los Angeles echoed the importance of partnership and authenticity. Family engagement strategies should develop the skills and capacity of families, providers, and the systems in which they operate. Further, they should build upon the strengths of families and local communities and support community-based efforts where innovative solutions bubble up, resources are leveraged, and social connections are reinforced.

By embracing an authentic approach to family engagement, and aligning effective efforts currently underway, we can realize our shared goal—that our communities' youngest children are healthy, ready for school, and on track to reach their full potential.

"Staff mis-assumptions about parents' abilities; cultural mismatches between home and school environments; and time and resource constraints for teachers, administrators, and parents all hinder robust parental/family involvement. Further, foundations, funders, and other stakeholders lack understanding of what they need to do in order to effectively impact the issue. We can and must do better if we are to succeed at authentically engaging parents/families in their children's early education and consequently reap the benefits of such involvement."

~ Los Angeles Stakeholder

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Abriendo Puertas / Opening Doors*

Provides training programs for Latino parents to help them understand their role in the development of and long-term impact of their children's educational outcomes. They partner with organizations nationwide to train community leaders to deliver the curriculum to parents in their neighborhood.

Building Healthy Communities

An initiative of The California Endowment, Building Healthy Communities partnered with 14 communities in California to focus on building lasting community change. Efforts at each community site (BHC) seek to include parents, residents, and other stakeholders to impact systems and policy.

California State University Northridge (CSUN) Institute for Community Health and Wellbeing

The Institute for Community Health and Wellbeing is a collaborative of campus and community affiliations focused on strengthening individuals and communities through creative partnerships and education. They match campus expertise and resources with regional needs.

Campaign for Grade-Level Reading

The Campaign for Grade-Level Reading focuses on brain development, early learning, school readiness, and ultimately the number of children reading proficiently by the end of third grade. The campaign's Healthy Readers Initiative focuses on strategies to ensure that children from low-income families are in good health and developing on track at four key milestones in their development from birth through third grade: Born Healthy, Thriving at Three, Ready at Five, and Present and Engaged in the Early Grades.

Center for the Study of Social Policy: Strengthening Families

"A research-informed approach to increase family strengths, enhance child development, and reduce the likelihood of child abuse and neglect. It is based on engaging families, programs, and communities in building five protective factors."

Child Care Alliance of LA (CCALA)

The Childcare Alliance of LA is a partnership of agencies in Los Angeles County that offer a variety of early education and child care services and programs. Additionally, the CCALA helps parents navigate the early education and child care systems in Los Angeles County.

Child Care Resource Center (CCRC)

CCRC develops and sustains networks of support to ensure access to integrated, comprehensive programs and services that strengthen families and prepare young children for success. They also connect parents to quality child care and resources and support child care providers through training, technical assistance, and professional development.

Child Development Institute (CDI)

CDI focuses on the development of the whole child, including his or her early relationships, environments, and communities. CDI's intervention services include professional therapists who ensure children reach their developmental potential and are ready for success in school by supporting social-emotional, language, cognitive and motor development. They also provide trainings to schools, teachers, and professional organizations.

Child-Parent Psychotherapy (CPP)*

CPP was "designed to restore the child-parent relationship, the child's mental health, and developmental progression that have been damaged by the experience of trauma and/or domestic violence."

City of LA: Family Source Centers

Family Source Centers located throughout the City of Los Angeles serve, assist, and support residents in their local neighborhoods and communities. Each center offers a variety of educational, family, child and youth services including counseling, cultural, recreational, and after school activities onsite or nearby through referrals.

* Evidence-Based

Clinica Romero

Clinica Romero is a community clinic with multiple sites in Los Angeles that aims to provide quality, affordable, and culturally sensitive health care and other services to the uninsured, insured, and underserved communities. They have programs such as the Women and Children Program where Certified Perinatal Health Workers' (CPHW) focus is to promote prenatal and postnatal healthcare, family planning, social service case management, and home visitation care.

County of Los Angeles Office of Child Care

The Office of Child Care shapes policy recommendations, facilitates planning, and provides a range of services aimed at improving the availability, quality, and access to early care and education programs. The Office supports efforts to promote informed parents' choice of early care and education services and the meaningful engagement of parents in those services. And finally, the Office works across disciplines to promote access to concrete supports that families need.

Crisis Oriented Recovery Services (CORS)*

CORS focuses on providing immediate assistance in short-term crisis intervention situations as well as assistance with mental health and case management services. "The primary objective is to assist individuals in resolving and/or coping with psychosocial crises by mitigating additional stress or psychological harm. CORS promotes the development of coping strategies that individuals can utilize to help restore them to their previous level of functioning prior to the crisis event."

Developmental Screening Tools: PEDS; Ages and Stages ASQ-3, ASQ-SE2*

Screening tools like PEDS and Ages and Stages help increase the early identification of developmental and behavioral problems, improve access to early treatment, support creating a relationship between families and health professionals, and teach parents and caregivers about healthy behaviors and their child's development.

Early Developmental Systems Initiative (EDSI)

"The Early Developmental Systems Initiative (EDSI) designs, tests, and spreads better ways of providing developmental care to young children. The aim is to build systems that provide reliable and effective supports for prevention, health promotion, and recognition and response to developmental concerns in children ages 0-5 years. EDSI uses a proven approach to help health care and early education providers make lasting improvements. The Initiative's process of innovation and refinement finds cutting-edge solutions to reduce the time and cost of improving care."

Early Head Start*

Early Head Start provides early, continuous, intensive, and comprehensive child development and family support services to low-income infants and toddlers and their families, and pregnant women and their families.

Echo Parenting and Education

"Echo Parenting and Education teaches parents, teachers, and others who strongly influence children's lives an approach that integrates current research in human development and trauma-informed care with the practice of nonviolence."

Families In Schools

Families in Schools involves parents and communities in their children's education to achieve lifelong success. They implement programs and trainings for parents and teachers, as well as professional development for school staff.

Federally Qualified Health Centers (FQHC)

FQHCs must serve an underserved area or population, offer a sliding fee scale, and provide comprehensive services (including dental care) for qualifying families.

First 5 LA: Best Start Communities*

"Best Start brings together parents and caregivers, residents, organizations, businesses, government institutions, and other stakeholders to collectively build a vision and develop strategies to create the best possible community for young children and their families." The organization facilitates and supports community opportunities for skill-building and leadership training to help Best Start Communities achieve their goals and ensure that children are born healthy, are free from abuse and neglect, maintain a healthy weight, and enter kindergarten ready to learn. Best Start uses the Strengthening Families Framework and Protective Factors as theoretical frames for its work.

* Evidence-Based

First 5 LA: Families, Friends and Neighbors (FFN) Program

The FFN program aims to enhance home-based providers' skills and knowledge regarding child development and child care. FFN serves providers who offer child care either in the child's home or the provider's home, and who are not required to be licensed by the State Community Care Licensing Division. Each provider meets one-on-one in their home with their mentor, who offers on-site suggestions and coaching.

Friends of the Family

"Friends of the Family is a comprehensive family resource center known for pioneering innovative, practical programs where families are recognized as central to a child's well-being and are supported to build on their skills and strengths."

Head Start: Parent, Family, and Community Engagement

Head Start encourages parents and families to become involved in their children's education, both in and out of the classroom. Head Start encourages the role of parents as their child's first and most important teachers. Because parents and families play a critical role in helping their children prepare for academic success, Head Start uses the Parent, Family, and Community Engagement (PFCE) framework to build relationships with families that lead to positive and enduring change.

Health Neighborhoods

According to the Los Angeles County Department of Mental Health (LACDMH) website: "The Health Neighborhood Initiative brings together health, mental health, and substance use disorder providers to establish and enhance collaborative relationships and promote the integration of whole person care. Participating service providers are linked to an extensive network of governmental and community supports including, but not limited to: County and city agencies, educational institutions, housing services, faith-based groups, vocational supports, advocacy and non-profit organizations, prevention programs, social services, etc. These providers come together with vital input from the community to enhance the health and well-being of neighborhood residents."

Healthy Families America (HFA)*

Healthy Families America uses a home visiting program model designed to work with overburdened families who are at-risk for adverse childhood experiences, including child maltreatment. HFA services begin prenatally or right after the birth of a baby and are offered voluntarily, intensively, and over the long-term (3 to 5 years after the birth of the baby).

Healthy Steps for Young Children (Healthy Steps)*

Healthy Steps is a national initiative that focuses on the importance of the first three years of life. It emphasizes a close relationship between health care professionals and parents in addressing the physical, emotional, and intellectual growth and development of children from birth to age three.

Help Me Grow (HMG) Orange County*

Funded by the Children and Families Commission of Orange County. "Help Me Grow Orange County (HMG) connects children and their families to developmental services to enhance the development, behavior, and learning of children birth through five years. Parents, caregivers, child care providers, early educators, and health care providers can call the toll free number, or use the online link to access information and referrals to developmental services for all young children who live in Orange County. HMG Care Coordinators provide intake, triage, referrals, and connection to developmental services, and the Community Liaisons develop ongoing relationships with community programs to help maintain an up-to-date inventory of resources."

Hope Street Family Center

"Hope Street Family Center is a community program of California Hospital Medical Center that provides in-home and on-site educational, health wellness, behavioral health, developmental, and social services that support children (thru adulthood) and families." Hope Street Family Center has been recognized as a national model for integrating health care within its community and has received the national NOVA Award.

Incredible Years (IY)*

"A curriculum-based, multifaceted, developmentally appropriate intervention targeting primarily children ages 2-12, using videotaped scenes to structure content and group discussion."

* Evidence-Based

Maternal Mental Health NOW (formerly LA County Perinatal Mental Health Task Force)

The Los Angeles County Perinatal Mental Health Task Force is a volunteer network of over 30 individuals representing more than 35 public, private, and community agencies whose mission is to remove barriers to the prevention, screening, and treatment of perinatal depression and related mood and anxiety disorders throughout Los Angeles County.

LA Partnership for Early Childhood Investment

The Partnership invests in and promotes innovations that advance the lifelong health and well-being of LA County children, age 0-5. The Partnership focuses on three critical areas: Strengthening Families, Leveraging Public Investments, and Engaging Business.

L.A. Trust for Children's Health

The L.A. Trust provides strategic funding and support for LAUSD Wellness Networks, school health centers, and other student health services. It increases access to health services for the children of the Los Angeles Unified School District and promotes collaboration among health organizations to address the needs of children. The L.A. Trust also increases awareness of critical health issues and promotes the research of health issues and practices.

LA Universal Preschool (LAUP)

LAUP, funded by First 5 LA, advances “early education program quality and capacity by supporting the development of the whole child, growing a qualified and diverse workforce, and strengthening family engagement. The LAUP Parent Engagement Resource Specialists ensure our providers offer a variety of opportunities for parents to be engaged in their child’s education and learning. They provide assistance in increasing communication with parents, create opportunities to be hands-on in the classroom, encourage connections between the home and school, and utilize resources in the community.”

LAUSD Linkages to L.A. Trust Wellness Centers

According to the L.A. Trust website: “Partnering with the First 5 LA program; we envision the advancement of child wellness and development through the connection of families to preconception, infant and toddler care, physical, mental and oral health care services offered by LAUSD Wellness Centers and broad community resources.”

LAUSD School, Family and Parent/Community Services: Parent Community Services Branch

“Parent Centers provide a safety net for parents to gain know-how across a broad spectrum without embarrassment, provide basic language and social skills and can help parents assimilate to a new culture. The Parent Center also provides a portal, which links the surrounding community to the school and vice-versa.” Parent, Community and Student Services supports school efforts to implement effective family engagement activities that value partnerships with parents and grandparents for the benefit of children’s learning and achievement.

Los Angeles County Perinatal & Early Childhood Home Visiting Consortium

LA County Department of Public Health’s Maternal, Child, and Adolescent Programs and LA Best Babies Network are partnering in the development of the LA County Perinatal & Early Childhood Home Visitation Consortium. The Consortium aims to help all expectant and parenting families in Los Angeles County gain access to quality in-home support delivered by well trained, culturally sensitive individuals to promote optimum health, safety, and child development, and strengthen family functioning, resiliency, and self sufficiency.

Los Ninos en Su Casa (A Place of Our Own)

KCET and First 5 LA bring bilingual programming and a website to childcare providers. It’s a daily television series, a website, and an extensive outreach program devoted to the unique needs of people who care for children.

Magnolia Place Community Initiative*

Magnolia Place creates sustainable change for families by promoting and strengthening individual, family, and neighborhood protective factors through increasing social connectedness, community mobilization, and access to needed services.

Make Parenting a Pleasure

“A comprehensive group-based positive parenting curriculum for stressed parents of children 0-8. In addition to reducing parent stress, Make Parenting a Pleasure addresses the Protective Factors shown to reduce the potential for child abuse. The facilitated approach is designed by parenting educators for parenting educators, and helps parents achieve their goals for their families and respects the diversity of those goals.

* Evidence-Based

Managing and Adapting Practice (MAP)

“Designed to improve the quality, efficiency, and outcomes of children’s mental health services by giving administrators and practitioners easy access to the most current scientific information and by providing user-friendly monitoring tools and clinical protocols.”

Mindful Parenting

Mindful Parenting is a framework whereby parents intentionally bring moment-to-moment awareness to the parent-child relationship. This is done by developing the qualities of listening with full attention when interacting with their children, cultivating emotional awareness and self-regulation in parenting, and bringing compassion and nonjudgmental acceptance to their parenting interactions.

National Foundation for Children’s Oral Health

The National Foundation for Children’s Oral Health supports the delivery of oral health education and care beginning at the prenatal level. The Foundation is focused on creating an oral health zone in the San Fernando Valley, with an emphasis on parent education.

Nurse Family Partnership*

“Through ongoing home visits from registered nurses, low-income, first-time moms receive the care and support they need to have a healthy pregnancy, provide responsible and competent care for their children, and become more economically self-sufficient. From pregnancy until the child turns two years old, Nurse-Family Partnership Nurse Home Visitors form a much-needed, trusting relationship with the first-time moms.”

Parent-Child Interaction Therapy (PCIT)*

Parent-Child Interaction Therapy (PCIT) is an empirically-supported treatment for conduct-disordered young children that places emphasis on improving the quality of the parent-child relationship and changing parent-child interaction patterns. Coached sessions engage both parent/caregiver and child.

Preschool Without Walls

“Preschool Without Walls (PWW) provides a participatory, parent-child early learning program in accessible community locations... Parents also develop their individual skills to educate young children, with focused support for early literacy and school readiness, early social skills development, and healthy physical activity and nutrition.”

Project DULCE (Developmental Understanding & Legal Collaboration for Everyone)*

“Partner(s) with parents of newborns – with the dual goals of improving child development and reducing maltreatment. This is accomplished by providing families with support for any unmet legal needs and age-related information on child development.”

Reflective Parenting (RP)

Designed to enhance parental reflective functioning. The Reflective Parenting Program includes workshops to help parents build strong, healthy bonds with their children and actively engage parents in an experiential learning process that includes strategies, techniques, and exercises.

South Los Angeles Child Welfare Initiative (SLACWI)

“The South Los Angeles Child Welfare Initiative (SLACWI) is a collaborative of 7 organizations implementing cross-agency care coordination for children 0-5 years at risk for child welfare involvement, with special emphasis on kinship caregiver families and pregnant and parenting teens.”

Text4baby

“Text4baby is the first mobile information service designed to promote maternal and child health through text messaging. Text4baby is a free service of the nonprofit National Healthy Mothers, Healthy Babies Coalition (HMHB) and was created in collaboration with Founding Sponsor Johnson & Johnson, and founding partners Voxiva, The Wireless Foundation, and Grey Healthcare Group (a WPP company).”

* Evidence-Based

Trauma-Focused Cognitive Behavioral Therapy (TF-CBT)*

“Tūtū and Me aims to identify, recruit, and service this underserved segment of the Native Hawaiian population through an early intervention for children who may be at risk for symptoms of depression and psychological trauma, subsequent to any number of traumatic experiences, particularly those individuals who are not currently receiving mental health services.”

Triple P - Positive Parenting Program*

Triple P gives parents simple and practical strategies to help them confidently manage their children’s behavior, prevent problems developing and build strong, healthy relationships.

Tūtū and Me

“Tūtū and Me aims to identify, recruit, and service this underserved segment of the Native Hawaiian population through an innovative traveling preschool program done in cooperation with churches and community organizations serving the Hawaiian and part-Hawaiian community. Tūtū and Me aims to meet the developmental needs of these young children and to support the grandparents as well as parents and other primary caregivers who are raising them.”

UCLA TIES Transition Model (UCLA TTM)

UCLA TTM significantly reduces barriers to the adoption of children with special needs and supports their successful transition into permanent homes with stable, nurturing families.

Vroom

Vroom is a website and application born out of a need for creative tools and materials that inspire families to turn everyday moments into brain building moments. It was developed with thoughtful input from parents, early childhood experts, neuroscientists, and community leaders.

Welcome Baby

“Welcome Baby provides L.A. County pregnant women and new moms with information, support and a trusted partner to help you through the journey of pregnancy and early parenthood.”

Women, Infants & Children (WIC)

“The WIC program serves pregnant, breastfeeding and postpartum women, infants and children up to 5 years old in low-income families. WIC provides free, supplemental foods, nutrition education, breastfeeding support and education, and other support services.”

YMCA Early Learning Readiness Program

“The YMCA’s Early Learning Readiness Program provides a stimulating environment for children ages 2-4 to play and learn while developing the physical, verbal, and social skills they’ll need to start school ready to succeed.”

Youth Policy Institute: Promise Neighborhoods

YPI Promise Neighborhoods aim to transform the communities of Pacoima and Hollywood with a continuum of integrated cradle-to-college-and-career services. Will focus on integrating wrap-around services that include prenatal and early childhood development, extended learning time, likened learning, etc. Every Promise Neighborhood Center will be a one-stop shop for families, modeled on YPI’s Hollywood Family Source Center.

211 LA County

“...one of the largest and most effective resource lines in the nation providing access to comprehensive social services and disaster support for L.A. County residents. 211 LA’s innovative programs are examples of the best practices in assessing, coordinating, and integrating the health and human services needed by the most underserved and vulnerable populations of one of the most culturally diverse counties in the country. With one phone call, clients are directly screened and connected with the services they need for themselves or their children, including shelters, meals, autism screening, veterans’ services, substance abuse programs, health care, and mental health services, and access to jobs.”

* Evidence-Based

Percent of Children (Ages 0 to 5 Years) Who Are Cared for in Their Own Home

	RELATIVE		NON-RELATIVE	
	Percent	Estimated Number	Percent	Estimated Number
LA County	69.3%	108,000	29.1%	44,000
By Child's Age				
Less than 1 Year	70.3%	10,000	29.7%*	4,000
1 Year	59.0%	11,000	41.0%*	8,000
2 Years	55.8%	13,000	44.2%*	10,000
3 Years	70.8%	23,000	29.2%*	9,000
4 Years	79.2%	15,000	20.8%*	4,000
5 Years	80.4%	33,000	19.6%*	8,000

Percent of Children (Ages 0 to 5 Years) in Childcare Who Are Cared for in Their Own Home on a Regular Basis

	Percent	Estimated Number
LA County	37.5%	153,000
By Child's Age		
Less than 1 Year	49.7%	15,000
1 Year	57.7%	19,000
2 Years	32.4%	24,000
3 Years	38.5%	33,000
4 Years	21.8%	19,000
5 Years	43.1%	41,000

Source: 2011 Los Angeles County Health Survey
Office of Health Assessment and Epidemiology
Los Angeles County Department of Public Health

The information presented is based on self-reported data from a randomly selected, representative sample of 6,013 Los Angeles County parents/guardians. The 95% confidence intervals (CI) represent the margin of error that occurs with statistical sampling, and means that the actual prevalence in the population, 95 out of 100 times sampled, would fall within the range provided.

* The estimate is statistically unstable (relative standard error >23%) and therefore may not be appropriate to use for planning or policy purposes.



To: First 5 Alameda County Commission

From: Liz Gregor, Community Grants Initiative Program Officer

Date: October 15, 2015

Subject: Revised First 5 Alameda County Comprehensive Tobacco Policy

ACTION REQUESTED:

To review and approve the revised First 5 Alameda County Comprehensive Tobacco Policy.

BACKGROUND:

In September 2000, the Commission passed the first set of Comprehensive Tobacco Control Policies. The purpose of the policies is to reinforce the message that tobacco products and involvement with the tobacco industry in any manner constitutes a serious health hazard for young children, their families, and the community. The policy is intended for our funded partners.

This revision relates to the inclusion of e-cigarettes (aka electronic smoking devices or “ESD”).

RECOMMENDATION:

That the Commission approve the revised First 5 Alameda County Comprehensive Tobacco Policy.

Submitted by:

Reviewed by:

Liz Gregor,
Community Grants Initiative
Program Officer

Janis Burger,
Chief Executive Officer



FIRST 5 ALAMEDA COUNTY COMPREHENSIVE TOBACCO POLICY – REVISED OCTOBER 2015

First 5 Alameda County funded agencies are required to make a good faith effort in implementing the Comprehensive Tobacco Policy during their grant/contract term. A good faith effort involves introducing these policies to your agency, educating agency leadership on the effect of the policies, having agency leadership consider the policies for ratification and engaging in constant communication with First 5 or its designated contractor regarding implementation of and compliance with these policies.

1. COMPREHENSIVE TOBACCO-FREE ENVIRONMENT

This prohibits the use of tobacco products, **including electronic smoking devices (ESD) (e-cigarettes)** at all times, 24/7, in agency vehicles, buildings, and property. The policy shall have clear procedures for implementation, protocols for monitoring compliance, reporting of violations and instituting sanctions.

The following activities should be included in the implementation of the policy:

- Produce a written copy of the policy.
- Inform staff, parents, and/or clients within the larger community about the policy and enforcement procedures. This can be demonstrated in an employee handbook, agency brochure, trainings, etc.
- Display “NO SMOKING” signs at all entrances of the building property, in agency vehicles, and additional areas as deemed appropriate i.e. restrooms, loading docks, garages. Smoking or use of tobacco products **including e-cigarettes** is prohibited within 25 feet of all building entrances (or adherence to local jurisdiction policies whichever is greater).
- Provide staff, parents and/or clients resources about smoking cessation and support programs at intake and on a continuing basis when appropriate.
- Provide staff, parents, and/or clients educational materials about secondhand smoke and its effect on children and pregnant women.
- Provide staff, parents, and/or clients educational materials about ESDs and their effect on children and pregnant women.**

2. DISCLOSURE OF TOBACCO INDUSTRY FUNDING

All agencies receiving First 5 Alameda County funding will be required to disclose the acceptance of funds, goods, or services from any tobacco company. In addition, those agencies accepting tobacco industry contributions will be required to cease acceptance from major tobacco companies.

- Submit completed and signed Disclosure & Divestment of Tobacco Funds/Stock form.

3. DIVESTMENT

All agencies receiving First 5 Alameda County funding shall divest any investments in companies which derive more than 15 percent of their revenues from major tobacco companies.

- Submit completed and signed Disclosure & Divestment of Tobacco Funds/Stock form.