



## FIRST 5 ALAMEDA COUNTY EXECUTIVE COMMITTEE MEETING AGENDA

Thursday, April 21, 2022

Members of the public may access this meeting via:

Zoom Meeting: <https://zoom.us/j/93361251102>

Meeting ID: 933 6125 1102

9:15 AM – 10:30 AM

Commissioners:

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

1. **Public Comment**
2. **Staff Announcements**
  - a. **General Staff Announcements**
  - b. **CEO Contract Authorizations**
  - c. **Return to Work Update**
3. **Approval of Minutes from February 10, 2022**

Recommended Action: Approve Minutes from February 10, 2022.
4. **Approval of the Amended First 5 Alameda County Bylaws**

Recommended Action: Approve the amendment of the First 5 Alameda County Bylaws.
5. **Approval of the First 5 Alameda County Governance Policies**

Recommended Actions: Approve the following amendments to and new policies:

  - a. Financial Policies
  - b. Conflict of Interest Code
  - c. Conflict of Interest Policy
  - d. Incompatible Activities Statement and Policy
6. **FY 2022-23 Proposed Budget – First Reading**
7. **FY 2022-30 Proposed Long Range Financial Plan – First Reading**

### CLOSED SESSION

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

Title: CEO

### Information about access:

Please contact Julia Otani at [julia.otani@first5alameda.org](mailto:julia.otani@first5alameda.org) or (510) 227- 6987 3 business days in advance if you need special assistance or translation/interpretation support so we can make reasonable arrangements to ensure accessibility. We will swiftly resolve any requests for accommodation to resolve any doubt whatsoever in favor of accessibility.

## REGULAR CALENDAR

9. **Report on Any Action Taken in Closed Session**
10. **Approval of the Compensation for the Chief Executive Officer**  
Recommended Action: Approve the compensation for the Chief Executive Officer.
11. **Adjournment**

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# Staff Announcements

April 21, 2022



# GENERAL AGENCY ANNOUNCEMENTS

- **Current policy of remote work continuing until at least September 1, 2022.** Survey sent to staff to assess how we can continue to provide support.
- **Equity. Finished a three-part Equity 101 training series** with staff. Consultant now working with Equity Committee to develop process to engage colleagues around the development of an agency-wide definition of equity.
- **Strategic Plan. Moving from development to public launch and implementation.** In the process of creating Results Based Accountability plans for each strategy, in partnership with the Policy, Planning, and Evaluation team.
- **New audit firm.** We are now working with Eide Bailly as we begin the annual audit process. Eide Bailley was selected in January 2022 through a Request for Qualifications process.
- **"Clean" Single Audit.** We did not have any issues, material findings, or discrepancies in our single audit. Again, a BIG thank you to the Finance Team and all staff.
- **Recruitment.** Posting remains open for Public Information and Communications Officer. Working with Wendi Brown Creative Partners Inc.





# PLACE

We partner with communities to build relationships, services, and infrastructure that support neighborhood conditions for family and child well-being.



# PLACE

- Submitted a proposal to Alameda County Housing and Community Development's request for proposals for American Rescue Plan Act funds going to unincorporated (UC) areas. Proposed early care and education (ECE) UC facilities site assessments and creating a UC ECE Needs Assessment.
- Completed meetings with Neighborhood Ready for School Executive Directors and now discussing potential updates to our program, communications, evaluation, and policy strategies with First 5 teams.
- Ana Rasquiza, Senior Administrator, represented First 5 Alameda County at the "It Takes a Village Act" Day of Action with Assemblymember Bonta and Hayward Promise Neighborhoods at Youth Uprising in East Oakland.
- Oakland Starting Smart and Strong Partnering to support mapping early childhood services and resources, with a specific focus on family navigator needs.
- Help Me Grow. Participating in the planning of a series of webinars by WestEd and the First 5 Association focused on California Tribal Communities to describe the complex issues associated with tribal decision-making processes and tribal sovereignty.

A photograph of three people standing in a parking lot, each holding a blue box. They are all wearing face masks. The person in the center is a woman with her hand on her hip, wearing a grey sweater and camouflage pants. The person on the left is a woman in a white t-shirt with 'ASRO NYC' on it. The person on the right is a man in a blue polo shirt and light blue pants. The background shows a parking lot with yellow lines and a building with a white lattice structure.

# PEOPLE

We partner with stakeholders to support parents, caregivers, and children and ensure that families and providers have the resources they need for children to thrive.

# PEOPLE

- **\$200,000 grant awarded to First 5 from Kaiser Permanente** in support of fatherhood training and technical assistance for a collaborative of family justice centers in northern California.
- **Care Coordination Expansion.** Continued discussions with Alameda Alliance for Health in March and April regarding of our FY 22–23 Pediatric Care Management proposal and potential opportunities tied to CA Department of Health Care Services’ “Medi-Cal Strategy to Support Health and Opportunity for Children and Families.”
- **Conducting an ECE Facilities Needs Assessment** to better understand and measure the current conditions of licensed ECE facilities in the county using an equity lens and to identify areas of opportunity. There were 332 responses overall from 85 centers and 247 family child care providers.
- **DULCE. Working with East Bay Community Law Center to collect local data** that reflects DULCE’s interdisciplinary approach. The new tool, Legal Partner Data Collection Template, will allow sites to integrate legal partner data as part of the Center for the Study of Social Policy’s biannual data process.



# PEOPLE (CONT'D)

- **Afghan Resettlement Support**

- **Request for Qualifications (RFQ):** Worked with First 5 Contra Costa County to conduct RFQ and select Jewish Family & Children Services-East Bay and Refugee and Immigrant Transitions to partner with, in response to First 5 California's request for applications to create a local action plan to support Afghan families.
- **First 5 Alameda County, The California Wellness Foundation, and Supervisor David Haubert** provided funding to two agencies supporting Afghan Resettlement efforts in Alameda County. East Bay Refugee and Immigrant Forum will receive \$25,000 for planning and facilitation. International Rescue Committee will receive \$75,000 for direct services to Afghan refugee families and children.
- **Afghan Adjustment Act:** We signed on to a support letter urging Congress to pass the Afghan Adjustment Act which proposes to provide legal permanent residence to Afghans arriving with humanitarian parole in the US.
- **Nowruz Fair:** Tabled at the at the first United Afghan Association Afghan Refugee Resource and Nowruz Fair with 225 attendees from 15 different cities.



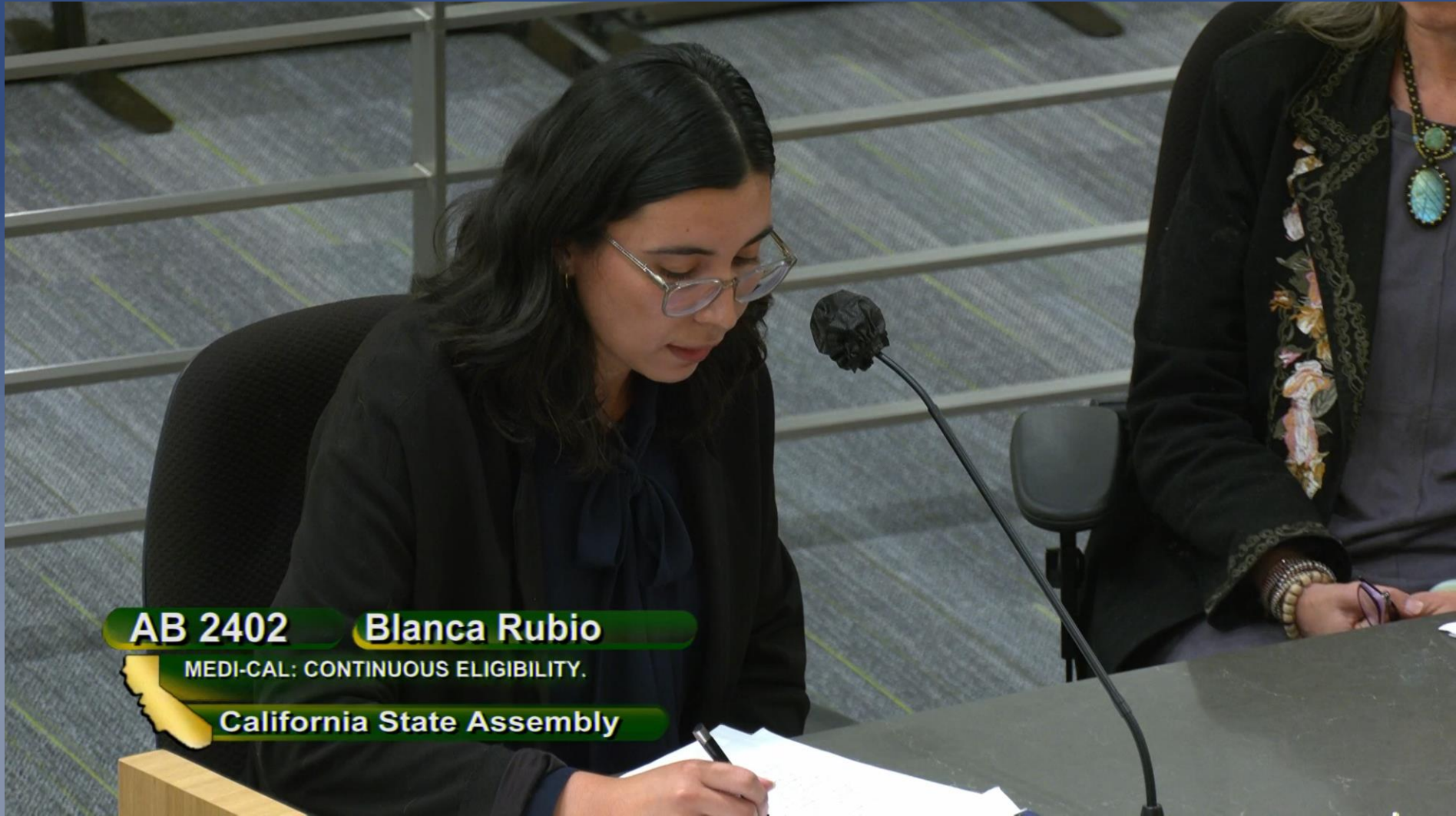
## POLICY

We advocate for policy and systems change that centers the needs of families, young children, and caregivers and supports community and family conditions for children and families to thrive. We also support community-led efforts, including parent leadership.

# POLICY

- **Met with state elected officials and staffers** as part of First 5 Association's annual Advocacy Day.
- **Recognition from Board of Supervisors (BOS) for Month of the Young Child.** Kristin Spanos, CEO and Commission Chair Renee Herzfeld attended the BOS meeting to receive recognition and make brief remarks.
- **Kindergarten Readiness Assessment.** Completed last Research Advisory Group meeting and drafting final analysis report and recommendations.
- **Senior Administrator Ana Rasquiza now co-chairs the Local Planning Council Public Policy Committee** together with Jennifer Caban from Social Services Agency.
- **Diana Garcia, Data and Policy Analyst, testified in-person** before the California State Assembly Health Committee in support of AB 2402: Medi-Cal Continuous Eligibility, which would extend access to health and preventive services for children.
- **Diapers. Submitted a letter of recommendation** for Help A Mother Out's successful application for a \$25,000 Women's Recovery Response grant from the California Commission on the Status of Women.





**AB 2402** **Blanca Rubio**

MEDI-CAL: CONTINUOUS ELIGIBILITY.

**California State Assembly**



FY 2021-22 CEO-Approved Contracts List  
 CEO Contract Authorizations and Amendments (Up to or equal to \$250,000 per contract/action - see light blue columns)

Original Award, approved by Commission (June 24, 2021)							New Contracts or Augmentations, approved by CEO (2/11/2022 - 4/21/22)				
Strategy	Award Number	Contractor	Contract Start Date	Contract End Date	Original Description of Scope of Work	Amount	New, Amendment or Ancillary Amount	New Total Contract Amount	Funding to support COVID-19 activities	Description of New Contract or Added Scope of Work	
Communications	CS-CMC-2122-685	BAYCAT Studio	4/4/2022	6/30/2022			\$ 50,000.00	\$ 50,000.00	No	Funding to produce videos in support of advocacy for equity-centered policy and systems change and investment in a coordinated early childhood system of care.	
Parent Engagment & Support	PI-PES-2123-682	SupplyBank.org	4/1/2022	6/30/2022			\$ 51,186.00	\$ 51,186.00	No	Funding to purchase and distribute kindergarten readiness backpacks to a variety of supply distribution sites and school districts in Alameda County identified by First 5.	
Parent Engagment & Support	PI-PES-2122-686	International Rescue Committee	5/1/2022	6/30/2022			\$ 75,000.00	\$ 75,000.00	No	Funding to provide direct support for Afghan refugee families.	
Parent Engagment & Support	PI-PES-2122-687	East Bay Refugee and Immigrant Forum	5/1/2022	6/30/2022			\$ 25,000.00	\$ 25,000.00	No	Funding to provide meeting planning and facilitation support for a coalition of community organizations that serve Afghan refugee families.	
Fatherhood	PI-FAH-2122-684	LaNiece Jones	4/4/2022	6/30/2022	Funding to plan, coordinate, and execute activities related to hosting, promoting, and securing sponsorship for Dad-scussion sessions and the 2022 Fatherhood Summit for Alameda County fathers.	\$ 35,000.00	\$ 50,000.00	\$ 85,000.00	No	Funding to organize a virtual event platform, coordinate video production and editing, organize graphic design (digital and print), and support online sponsorship and workshops for the 2022 Fatherhood Summit for Alameda County fathers.	
							\$ 35,000.00	\$ 251,186.00	\$ 286,186.00		<b>CEO Authorizations 2/11/22 - 4/21/22</b>



**First 5 Alameda County Executive Committee Meeting**  
**February 10, 2022, 9:15 AM – 10:30 AM**  
**Zoom Webinar Meeting ID: 934 2619 1744**

Commissioners Present: Chair: Renee Herzfeld, Vice Chair: Cecilia Oregón

Not Present: Scott Coffin

First 5 Staff Present: Kristin Spanos, Tyson Jue, Christine Hom, Julia Otani

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
<b>CALL TO ORDER</b>			
R. Herzfeld	The meeting was called to order by Chair Herzfeld who gaveled in at 9:15 AM and stated that the meeting was being recorded. Commissioners Herzfeld and Oregón stated their names to indicate they were present for the meeting.	None	None
<b>1. PUBLIC COMMENT</b>			
R. Herzfeld	There was no Public Comment.	None	None
<b>2. STAFF ANNOUNCEMENTS</b>			
K. Spanos	<a href="#">[Attachment]</a> Ms. Spanos presented the General Staff Announcements and CEO Contract Authorizations <b>A. General Staff Announcements</b> <ul style="list-style-type: none"> <li>Ms. Spanos provided an overview of the Staff Update slides.</li> </ul> <b>B. CEO Contract Authorizations</b> <ul style="list-style-type: none"> <li>There were 3 contracts approved by the CEO that were less than or equal to \$250,000 per contract action since the last Commission meeting; the summary is located in the meeting packet.</li> </ul>	None	None
<b>3. APPROVAL OF MINUTES FROM DECEMBER 9, 2021</b>			
R. Herzfeld	<a href="#">[Attachment]</a> Chair Herzfeld asked if there was any public comment before taking a vote to approve the minutes. Chair Herzfeld facilitated the vote to approve the December 9, 2021 Executive Committee Meeting minutes.	Motion: C. Oregón Second: R. Herzfeld No Abstentions. Motion passed.	None
<b>4. FY 2021-22 MID-YEAR FINANCIAL REPORT AND PROPOSED BUDGET MODIFICATIONS</b>			
C. Hom	<a href="#">[Attachment]</a> Ms. Hom presented the FY 2021-22 Mid-Year Financial Report and Proposed Budget Modifications.  Chair Herzfeld asked if there was any public comment before taking a vote.  Chair Herzfeld facilitated the vote to recommend the FY 2021-22 Mid-Year Financial Report and Proposed Budget Modifications be brought to the full Commission for final review and approval.	Motion: C. Oregón Second: R. Herzfeld No Abstentions. Motion passed.	The FY 2021-22 Mid-Year Financial Report and Proposed Budget Modifications will be brought to the full Commission for final review and approval.



AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
<b>5. FY 2021-22 MID-YEAR INVESTMENT REPORT</b>			
C. Hom	<a href="#">[Attachment]</a> Ms. Hom presented the FY 2021-22 Mid-Year Investment Report.  Chair Herzfeld asked if there was any public comment before taking a vote.  Chair Herzfeld facilitated the vote to recommend the FY 2021-22 Mid-Year Investment Report be brought to the full Commission for final review and approval.	Motion: C. Oregón Second: R. Herzfeld No Abstentions. Motion passed.	The FY 2021-22 Mid-Year Investment Report will be brought to the full Commission for final review and approval.
<b>6. FIRST 5 ALAMEDA COUNTY GOVERNANCE POLICIES</b>			
T. Jue	<a href="#">[Attachment]</a> Mr. Jue presented the First 5 Alameda County Governance Policies and the overview and recommendation to adopt the Media policy.	Motion: C. Oregón Second: R. Herzfeld No Abstentions. Motion passed.	None
C. Hom	Ms. Hom presented the changes and recommendations to the Investment policy. Chair Herzfeld asked if there was any public comment before taking a vote. Chair Herzfeld facilitated the vote to adopt the new Media policy and updates to the Investment policy.		
<b>7. ADJOURNMENT</b>			
R. Herzfeld	Chair Herzfeld gaveled out and adjourned the meeting at 10:12 AM.		

Respectfully Submitted By: Julia Otani, Executive Assistant



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

**From:** Kristin Spanos, CEO  
Tyson Jue, Chief of Staff  
Christine Hom, Finance Officer

**Date:** April 21, 2022

**Subject:** Amended First 5 Alameda County Bylaws

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**ACTION REQUESTED**

Approve the amendment of the First 5 Alameda County Bylaws

**BACKGROUND**

First 5 Alameda County contracted with VIVA Social Impact Partners to review First 5's governance policies. On October 7, 2021, VIVA presented their recommendation for the revisions to the First 5 Alameda County bylaws.

The following substantive edits to the Bylaws are being proposed:

**ARTICLE VI. OFFICERS**

**SECTION 2. ELECTION AND TERM OF OFFICE**

Officers shall be elected by the Commission at the first meeting of each calendar year

**SECTION 5. CHIEF EXECUTIVE OFFICER**

Based on input from the Commission, the Chair of the Commission shall draft the annual evaluation of the CEO for consideration and action by the Commission and shall thereafter administer the evaluation.

Based on the annual evaluation, the Executive Committee shall set the compensation of the CEO on an annual basis.

**ARTICLE VIII. COMMITTEES**

**SECTION 3. COMMITTEE STRUCTURE/AUTHORITY**

**A. Executive Committee**

The Executive Committee shall be a standing Committee of the Commission. Membership of the Executive Committee shall be comprised of the Chair of the Commission, the Vice-Chair of the Commission, and one other voting member of the Commission, appointed each year at the first Commission meeting of the calendar year by the Chair of the Commission. The Vice-Chair shall serve as the Chair of the Executive Committee. The Executive Committee shall meet in open session in compliance with the Brown Act except where a closed session is warranted and allowed by law. The duties of the Executive Committee shall include the review and approval of governance-related policies and procedures including fiscal, administrative, operations and human resources, including approving

**AGENDA ITEM 4**

the compensation of the CEO on an annual basis. The duties also include reviewing and recommending for adoption by the Commission the following:

- Annual budget;
- Audited financial statements; and
- Other tasks delegated to the Executive Committee by the full Commission.

Any decision by the Executive Committee requiring adoption by the Commission may be placed on the Consent Calendar at the next Commission meeting. Any decisions taken by the Executive Committee that do not require Commission approval shall be reported to the full Commission.

Members of the Executive Committee shall serve for one (1) calendar year, provided that members may be reappointed to serve additional terms.

**FISCAL IMPACT**

There is no fiscal impact.

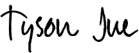
**RECOMMENDATION**

On June 24, 2021, the First 5 Alameda County Commission authorized the expansion of the charge of the Executive Committee until June 30, 2022 to include review, discussion and decision making on governance-related matters due to the uncertainty associated with the ongoing pandemic and our preparations for returning to the office in 2022.

The Commission expanded “the charge of the Executive Committee to include review, discussion and decision making on governance related matters. Historically, the Executive Committee has acted in the capacity of reviewing agency operational issues including finance, human resources and administrative items and policies to support business processes. The additional function of reviewing governance related policies and procedures including but not limited to the governing ordinance and Commission bylaws will allow the Executive Committee to efficiently support necessary updates to agency practices. Any formal action taken by the Executive Committee in this area will be reported back to the Commission. In addition, the Executive Committee may make final recommendations to the Commission to consider.”

First 5 Alameda County staff recommend that the Executive Committee approve the amendment of the First 5 Alameda County Bylaws.

Submitted by:

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Tyson Jue  
Chief of Staff

Approved by:

DocuSigned by:  
  
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Kristin Spanos  
Chief Executive Officer

Reviewed by:

DocuSigned by:  
  
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Christine Hom  
Finance Officer





## FIRST 5 ALAMEDA COUNTY BYLAWS

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### ARTICLE I. AUTHORITY

The First 5 Alameda County Commission (the Commission or ~~County Commission~~F5AC 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 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, systems building 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 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~~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: January 1, 1999

1100 San Leandro Blvd., Suite 120 San Leandro, CA 94577

Dated: May 5, 2003

1115 Atlantic Avenue, Alameda, CA 94501

Dated: April 19, 2013

**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~~ Board of supervisors 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, orobstetric associations or societies.

## SECTION 2. ALTERNATE MEMBERS

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

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

Alternate members are encouraged to attend Commission meetings when the designated county representative is not present to participate and vote on their behalf. 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

Members 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 twelve consecutive years, unless the County Board of Supervisors waives this provision upon a majority vote of its members.

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~~ Commissioner or ~~alternate~~ 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 or the Commissioner shall serve until the appointment of a successor.



**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****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 at the first meeting of each calendar year 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/a~~ Chief Executive Officer (CEO) 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.

Based on input from the Commission, the Chair of the Commission shall draft the annual evaluation of the CEO for consideration and action by the Commission and shall thereafter administer the evaluation.

Based on the annual evaluation, the Executive Committee shall set the compensation of the CEO on an annual basis.

## 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. The Commission shall meet up to six times per year.

### 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, teleconferencing, 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 Commission.

### SECTION 6. MAJORITY ACTION AS BOARD ACTION

Every act or decision done or made by a majority of the ~~commissioners~~ 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 their 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~~ Commissioners present at the meeting.

## ARTICLE VIII. COMMITTEES

### Section 1. SUBCOMMITTEES OF THE COMMISSION

The Commission may establish standing or ad hoc subcommittees by formal action of the Commission and shall appoint members of the Commission to serve on the subcommittee, as the Commission deems necessary. The Commission may designate a subcommittee as advisory only or the Commission may delegate decision-making authority to the subcommittee. The Commission shall designate one member of each subcommittee to serve as chairperson.

### Section 2. ADVISORY COMMITTEES.

The Commission may establish standing or ad hoc committees composed of members of the Commission and/or members of the community. These committees shall act in an advisory capacity to the Commission. The Commission shall designate one member of the committee to serve as chairperson.

### Section 3. COMMITTEE STRUCTURE/AUTHORITY

#### A. Executive Committee

The Executive Committee shall be a standing Committee of the Commission. Membership of the Executive Committee shall be comprised of the Chair of the Commission, the Vice-Chair of the Commission, and one other voting member of the Commission, appointed each year at the first Commission meeting of the calendar year by the Chair of the Commission. The Vice-Chair shall serve as the Chair of the Executive Committee. The Executive Committee shall meet in open session in compliance with the Brown Act except where a closed session is warranted and allowed by law. The duties of the Executive Committee shall include the review and approval of governance-related policies and procedures including fiscal, administrative, operations and human resources, including approving the compensation of the CEO on an annual basis. The duties also include reviewing and recommending for adoption by the Commission the following:

- Annual budget;
- Audited financial statements; and
- Other tasks delegated to the Executive Committee by the full Commission.

Any decision by the Executive Committee requiring adoption by the Commission may be placed on the Consent Calendar at the next Commission meeting. Any decisions taken by the Executive Committee that do not require Commission approval shall be reported to the full Commission.

Members of the Executive Committee shall serve for one (1) calendar year, provided that members may be reappointed to serve additional terms.



**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 5 to 0 on October 15, 2015

**AMENDED:** By a vote of 8 to 0 on August 18, 2016

**AMENDED:** By a vote of 6 to 0 on February 22, 2018

**AMENDED:** By a vote of # to # on April 21, 2022

DRAFT

**FIRST 5**



# First 5 Alameda County Bylaws

Tyson Jue

Executive Committee

April 21, 2022

# Modification or Creation of Governance Policies

VIVA Social Impact Partners presented their recommendations for the modification or creation of the following policies at the October 7, 2021 Executive Committee.

Policy	Considered by Executive Committee on:
Media Policy	February 10, 2022
Investment Policy	February 10, 2022
First 5 Alameda County Bylaws	April 21, 2022
Conflict of Interest Policy, Declaration of Interests	April 21, 2022
Financial Policies: Procurement, Purchasing and Contracting; Administrative Costs; Accounting, Financial Reporting, Auditing; Financial Reserves & Goals; Budget Adoption & Amendments	April 21, 2022

# Chief Executive Officer

## Evaluation and Compensation

Consistent with current practice, in consultation with legal counsel, codified the following edits:

- Based on input from the Commission, the Chair of the Commission shall draft the annual evaluation of the CEO for consideration and action by the Commission and shall thereafter administer the evaluation.
- Based on the annual evaluation, the Executive Committee shall set the compensation of the CEO on an annual basis.



# Executive Committee

## Structure and Authority

Addition of the following:

### Membership of the Executive Committee

- Appointed each year at the first Commission meeting of the calendar year by the Chair of the Commission
- Serve for one calendar year and may be reappointed

### Duties of the Executive Committee shall include

- Review and approve governance-related policies and procedures including fiscal, administrative, operations and human resources, including approving the compensation of the CEO on an annual basis
- Reviewing and recommending for adoption by the Commission the following:
  - Annual budget;
  - Audited financial statements; and
  - Other tasks delegated to the Executive Committee by the full Commission.

### Decisions

- Decisions requiring adoption by the Commission may be placed on the Consent Calendar at the next Commission meeting
- Decisions not requiring Commission approval shall be reported to the full Commission



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

**From:** Kristin Spanos, CEO  
Tyson Jue, Chief of Staff  
Christine Hom, Finance Officer

**Date:** April 21, 2022

**Subject:** First 5 Alameda County Governance Policies

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#### ACTION REQUESTED

To approve revisions to the following existing policies and adopt new policies:

- a. Financial Policies
- b. Conflict of Interest Code
- c. Conflict of Interest Policy (NEW)
- d. Incompatible Activities Statement and Policy (NEW)

#### BACKGROUND

First 5 Alameda County contracted with VIVA Social Impact Partners to review First 5's governance policies. On October 7, 2021, VIVA presented their recommendations for the modification or creation of the following policies to the Executive Committee:

Policy	To be considered by Executive Committee on:
Financial Policies: Procurement, Purchasing and Contracting; Administrative Costs; Accounting, Financial Reporting, Auditing; Financial Reserves & Goals; Budget Adoption & Amendments	April 21, 2022
Conflict of Interest Policy, Declaration of Interests	April 21, 2022

**Financial Policies:** First 5 Alameda County originally adopted Financial Policies on June 24, 2004. The policies are reviewed by staff on an annual basis and revisions are brought to the Executive Committee and Commission for consideration and approval as necessary. F5AC Finance staff worked with James Harrison, agency legal counsel and Kevin Harper, CPA, to review the policies to ensure compliance with state and federal law, current GASB accounting standards and industry best practices.

**AGENDA ITEM 5**

Proposed edits are shown in the attachment as “track changes” for easy identification. The following substantive revisions are proposed to the Financial Policies to be effective July 1, 2022:

1. **II. FINANCIAL RESERVES AND GOALS:** Addition of language regarding use and treatment of the Children’s Sustainability Fund to support budgeted activities.
2. **IV. REVENUE ACCOUNTING:** Clarification of language regarding receipt, use and treatment of Proposition 10 revenue and Other Revenue.
3. **VII. PURCHASING AND CONTRACTING:** Addition of language clarifying purchasing and contracting methods and activities, modification of authorization and execution thresholds.
4. **VIII. ADMINISTRATIVE COST POLICY:** Clarification of budgeted expenses (i.e. infrastructure, personnel and contracts) and allocations between the categories of Administrative, Evaluation and Program Expenses.

**Conflict of Interest Code:** First 5 Alameda County originally adopted its Conflict of Interest Code on May 25, 2006. The code is brought to the Commission for review at minimum biennially as required by the Alameda County Board of Supervisors in accordance with the Political Reform Act (Government Code § 81000 et seq.). F5AC staff worked with James Harrison, agency legal counsel to review revisions to the code to ensure compliance with legal requirements.

Proposed edits are shown in the attachment as “track changes” for easy identification and include the addition of language around legal authority, updates to the designated positions required to disclose and the assigned disclosure category.

**Conflict of Interest Policy:** F5AC staff worked with James Harrison, agency legal counsel to draft a Conflict of Interest Policy to formalize guidelines for Commissioners, Advisory Bodies and Staff around mitigating risk of an actual or perceived conflict of interest in the course of performing agency related activities. The Policy provides clear definition of “conflict of interest”, outlines circumstances where recusal from voting or participation is required and also includes reference to the Declaration of Interests process and Incompatible Activities Statement disclosure for staff.

**Incompatible Activities Statement and Policy:** First 5 Alameda County’s Incompatible Activities Statement was developed to assist employees with understanding the nature of incompatible activities consistent with the provisions of Government Code section 1126. The prohibited activities described in the Statement and Policy are inconsistent, incompatible, in conflict with, or inimical to the duties of officers and employees of F5AC. All employees must file a Certification of Receipt of the Statement upon initial hire and as part of the agency’s ethics training requirement.

**FISCAL IMPACT**

There is no fiscal impact.

**RECOMMENDATION**

On June 24, 2021, the First 5 Alameda County Commission authorized the expansion of the charge of the Executive Committee until June 30, 2022 to include review, discussion and decision making on governance-related matters due to the uncertainty associated with the ongoing pandemic and our preparations for returning to the office in 2022.

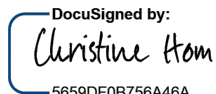
The Commission expanded “the charge of the Executive Committee to include review, discussion and decision making on governance related matters. Historically, the Executive Committee has acted in the capacity of reviewing agency operational issues including finance, human resources and administrative items and policies to support business processes. The additional function of reviewing governance related policies and procedures including but not limited to the governing ordinance and Commission bylaws will allow the Executive Committee to efficiently support necessary updates to agency practices. Any formal action taken by the Executive Committee in this area will be reported back to the Commission. In addition, the Executive Committee may make final recommendations to the Commission to consider.”

First 5 Alameda County staff recommend that the Executive Committee approve the following recommendations:

1. Approve the updates to the Financial Policies
2. Approve the updates to the Conflict of Interest Code
3. Adopt the Conflict of Interest Policy
4. Adopt the Incompatible Activities Statement and Policy

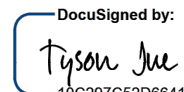
Submitted by:

Approved by:

DocuSigned by:  
  
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 Christine Hom  
 Finance Officer

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 Kristin Spanos  
 Chief Executive Officer

Reviewed by:

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 Tyson Jue  
 Chief of Staff



**FIRST 5**



# Governance Policies

Tyson Jue and Christine Hom



# Modification or Creation of Governance Policies

VIVA Social Impact Partners presented their recommendations for the modification or creation of the following policies at the October 7, 2021 Executive Committee.

Policy	Considered by Executive Committee on:
Media Policy	February 10, 2022
Investment Policy	February 10, 2022
First 5 Alameda County Bylaws	April 21, 2022
Conflict of Interest Policy, Declaration of Interests	April 21, 2022
Financial Policies: Procurement, Purchasing and Contracting; Administrative Costs; Accounting, Financial Reporting, Auditing; Financial Reserves & Goals; Budget Adoption & Amendments	April 21, 2022

# Financial Policies

Updates and edits to ensure compliance with state and federal law, current GASB accounting standards and industry best practices

- II. FINANCIAL RESERVES AND GOALS: Addition of language regarding use and treatment of the Children’s Sustainability Fund to support budgeted activities.
- IV. REVENUE ACCOUNTING: Clarification of language regarding receipt, use and treatment of Proposition 10 revenue and Other Revenue.
- VII. PURCHASING AND CONTRACTING: Addition of language clarifying purchasing and contracting methods and activities, modification of authorization and execution thresholds.
- VIII. ADMINISTRATIVE COST POLICY: Clarification of budgeted expenses (i.e., infrastructure, personnel and contracts) and allocations between the categories of Administrative, Evaluation and Program Expenses.

# Conflict of Interest Code

Biennial review and updates to Code submitted to Board of Supervisors

- Updates to Conflict of Interest Disclosure Categorizations for CY 2022
- Updates to Designated Employees and Disclosure Categories



# Conflict of Interest Policy

New policy developed to formalize guidelines for Commissioners, Advisory Bodies and Staff around mitigating risk of an actual or perceived conflict of interest while performing agency related activities

- Includes definition of “conflict of interest” and “economic interest”
- Clarifies circumstances where recusal from participation or voting is required
- Reference to Incompatible Activities Statement and Declaration of Interests

# Incompatible Activities Statement and Policy

Updated statement and policy consistent with provisions of Government Code section 1126

- Clarifies prohibited activities that are incompatible or in conflict with the duties of officers and employees of F5AC
- All staff must file a Certification of Receipt of the Statement upon hire and as part of the agency's ethics training requirement



# 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~~  
~~Revised October 15, 2015~~  
~~Revised April 20, 2017~~  
~~Revised June 21, 2018~~  
~~Revised December 12, 2019~~  
Effective July 1, 2022

**FIRST 5 ALAMEDA COUNTY**

**FINANCIAL POLICIES**

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## FIRST 5 ALAMEDA COUNTY FINANCIAL POLICIES

First 5 Alameda County (F5AC) is an 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 constant level of funding as indicated in the current through the following strategic plans and a 10 Year Long Range Financial Plan through 2025 in the face of declining Proposition 10 revenue stream by strategically drawing from reserves.

The goal of establishing the financial 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 an agency Procedures Manual which includes financial management procedures documented in processes.

I. ACCOUNTING, FINANCIAL REPORTING & AUDITING UPDATED 4/21/2022

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 First 5 Alameda County Procedures Manual).
- C. F5AC will follow the financial reporting standards established by the Governmental Accounting Standards Board.
- D. The [Code of Federal Regulations Part 200, OMB](#) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (“Uniform Guidance”) will serve as the basis in ensuring appropriate [use of federal funds and](#) oversight of federally-funded [awards, subrecipients for executed agreements beginning after December 26, 2017.](#)
- E. An annual audit will be performed by an independent certified public accountant in accordance with the requirements of California law, First 5 California, ~~in accordance with~~ the contract with Alameda County, ~~and per~~ the Uniform Guidance.
- F. F5AC will prepare and issue timely quarterly financial reports to F5AC’s management and staff comparing [budgeted](#) and [actual](#) expenditures for the period, and will provide more frequent reports as requested. It will also prepare and issue a six-month mid-year report for budget review purposes.
- G. 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 UPDATED 4/21/2022

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 10 Year 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 constant level of funding through the following strategic plans through 2025 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. F5AC will maintain an amount in the [Children’s Sustainability Fund](#), at a minimum, equal to six months of the corresponding fiscal year’s operating expenses plus an amount to cover fiscal obligations under the Reduction in Workforce Policy.

F5AC will maintain sufficient reserves to support the cost of reimbursement in the case of audit exception in federal fiscal leveraging.

- C. The Commission may approve use of the Children’s Sustainability Fund during the fiscal year to support budgeted activities with adjustments to be made to the corresponding Long Range Financial Plan.
- ~~C~~.D. Unspent funds at year end will close to the Children’s Sustainability Fund.

**III. BUDGET ADOPTION AND AMENDMENT** UPDATED 4/21/2022

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 Commission will adopt, by resolution, a budget by June 30 ~~each~~ for the ensuing year.
- B. The annual budget will be a balanced budget consisting of budgetary revenues, restricted carryover and, in accordance with the 10 Year Long Range 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 ~~strategies~~programs and budget adjustments that increase the authorized spending level of a ~~strategy~~program must be approved by the Commission.

## IV. REVENUE ACCOUNTING

UPDATED 4/21/2022

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. Proposition 10 Revenue

- a. Revenue received for the operation of the Commission is initiated and submitted from the California State Children and Families Commission on a monthly basis, based on Proposition 10 funds collected by the State of California. The revenue allocated and transferred to the Commission is based on the percentage of Alameda County live births to California State live births. The funds are remitted by First 5 California directly to the Alameda County Treasury where they are placed in the Children and Families Trust Fund.
- b. First 5 California submits a Disbursement to Counties by Month Report which reflects funds collected for the month and distributed to counties based on their percentage of live births to the total State live births. The revenue remitted by the State is reviewed and documented by Finance staff each month to determine the reasonableness of the revenue.

B. Other Revenue

The Commission may receive other revenue not otherwise related to its Proposition 10 funding allocation from such sources as the State Commission, other local county or state departments, the federal government, and private foundations. These funds may be restricted in how they are used and require special accounting information to track and report periodically. The use of these revenues must have a formal grant or funding agreement including a budget or plan establishing restrictions and parameters of the funding agreement in place, which shall include a budget or plan establishing restrictions and parameters on the use of the funds. 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. Revenue will be maximized to the extent possible 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.

- ~~A. 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.~~



~~B. 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 UPDATED 2/10/2022

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

The Commission will review and approve the Investment Policy (Investment Policy Revisions 2.10.2022) in accordance with the California Government Code section 53646 every two years. F5AC staff will review the Policy internally on an annual basis and will propose revisions to the Commission as needed but no less than every two years.

- ~~A. 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.~~
- ~~B. 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.~~
- ~~C. F5AC will only invest in those investments authorized by the California Government Code section 53601.~~

VI. CASH COLLECTIONS AND DISBURSEMENTS UPDATED 4/21/2022

Cash collections and disbursements shall be adequately controlled to ensure timely processing and accurate recording in F5AC's accounting records. ~~A part of the overall maintenance of adequate accounting procedures is the ability to control cash collections and disbursements.~~ Accounting procedures for these areas ~~to ensure timely processing and recording~~ are reflected in detail in the First 5 Procedures Manual.

- A. Disbursements whether in the form of checks, electronic transfers or other means will be approved by the Chief Executive Officer 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 Finance Officer or designee.
- 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**

**UPDATED 4/21/2022**

- A. Guiding Principles and Policy Overview
- B. Authorization and Execution Thresholds
- C. Competitive and Non Competitive Procurement Processes
- D. Procurement Notification and Appeals
- E. Sole Source Procurement
- F. General Purchasing Policies
- G. Pre-Authorized Contracting

The Purchasing and Contracting Policy provides Guiding Principles and Policy Overview, Authorization and Execution Thresholds, Competitive and Non Competitive Procurement Processes, Procurement Notification and Appeals, Procurement Exceptions, General Purchasing Policies and Pre-Authorized Contracting in accordance with Health & Safety Code Sections 130140 and 130150: and Government Code Section 54201, et seq.

**A. Guiding Principles and Policy Overview**

Guiding Principles: Purchasing goods and services is a critical strategy to leverage the economic strength of First 5 tax dollars to improve communities. The guiding principles of F5AC procurement and contracting are:

1. **Create strategic impact** by funding programs that advance the goals in the F5AC Strategic plan and show evidence of effectiveness;
2. **Promote inclusion and equity** by funding programs that are responsive to the diverse needs of the community and have been shaped with community input;
3. **Promote increased service integration** by funding programs that reduce fragmentation of existing services, that increase access to services, and that promote collaboration;
4. **Build on community strengths and enhance community capacity** by funding programs that build on organizational and neighborhood assets and help community participants and service providers further develop their capacities.

Policy Overview:

F5AC shall procure goods and services using an accessible, fair, and uniform process, allowing for free and open competition aligned with the Commission’s values of diversity, equity and inclusion. The 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 and with applicable State Contracting codes.

It is important to note that the Purchasing Policy is supplemented by more detailed procedural guidance in the F5AC Procedures Manual.

**B. Authorization and Execution Thresholds**

1. The purchase of goods or services above \$25,000 requires a contract be put in place.
2. Contracts and amendments up to \$100,000 in the aggregate may be approved by the Chief Executive Officer and signed by the Chief Executive Officer, Director of Operations, Finance & Technology or Designee.
3. Contracts and amendments from \$100,000 - \$150,000 in the aggregate may be approved by the Chief Executive Officer and signed by the Chief Executive Officer, Director of Operations, Finance & Technology or Designee, and will be shared with the F5AC Executive Committee as an Informational Item.
4. Contracts and amendments from \$150,000 - \$300,000 in the aggregate may be approved by the Executive Committee with authority to sign and execute delegated to the Chief Executive Officer, Director of Operations, Finance & Technology or Designee and will be shared with the F5AC Commission as an Informational Item.
5. Contracts and amendments of \$300,000 and above in the aggregate require Commission approval with authority to sign and execute delegated to the Chief Executive Officer, Director of Operations, Finance & Technology or Designee.
6. Ancillary payments to vendors (e.g., training costs, honorariums, advertisements) shall not exceed 10% of the contract amount or \$25,000, whichever is lower, and must be authorized by the Chief Executive Officer, Director of Operations, Finance & Technology or Designee and will not be attributed to the \$300,000 limit for Commission approval if budget funds are available.

**C. Competitive and Non-Competitive Procurement Processes**

Detailed guidance for each competitive and non competitive process, including solicitation templates, may be found in the F5AC Procedures Manual. Competitive bidding may be conducted at any dollar amount of a procurement in support of planned program activities supporting.

1. No bid/quotes: For goods and services up to \$25,000, F5AC may select the provider directly without the need for bids/quotes, keeping within F5AC budget availability. This process shall not be used when it is reasonably foreseeable that the recurring purchases would exceed the no-bid/quote threshold in the aggregate. \*For Federally-funded purchases, the bid or quote threshold for micro-purchases is \$10,000
2. For goods and services from \$25,000 - \$75,000, the user must obtain three written bids/quotes from vendors or from the vendors' published price lists. The award may be made to vendor submitting the lowest bid or best value that is responsive to the

needs of the Commission. If less than three responses are received, the user must demonstrate that sufficient outreach and diligence were undertaken and document why the requirement for three bids was not met.

3. For goods and services from \$75,000 - \$100,000, the user must conduct an informal solicitation using an Informal Request for Proposal/Qualifications (IRFP/Q) solicitation process. The award will be recommended to the highest ranked proposer based on the evaluation method set forth in the solicitation, or other method deemed appropriate for a formal bidding process. The solicitation shall be posted publicly on First 5 Alameda's website and publicized through other appropriate channels that extend First 5 Alameda's reach to prospective applicants. IRFP/Qs shall be posted for a minimum of 10 business days prior to the submission deadline. Any exceptions to the posting period shall be approved by the Chief Executive Officer, Director of Operations, Finance & Technology or Designee. IRFP/Q solicitations shall be written to include the scope of work, specifications, and terms and conditions of the proposed purchase or contract. The solicitation shall provide sufficient details to assist prospective applicants in calculating an accurate, unconditioned, and stable bid.
  
4. For goods and services in excess of \$100,000, the user must conduct a formal Request for Proposal/Qualifications (RFP/Q) solicitation process. The award will be recommended to the highest ranked proposer based on the evaluation method set forth in the solicitation, or other method deemed appropriate for a formal bidding process. The solicitation shall be posted publicly on F5AC's website and publicized through other appropriate channels that extend First 5 Alameda's reach to prospective applicants. Formal RFP/Qs shall be posted for a minimum of 15 business days prior to the submission deadline. Any exceptions to the posting period shall be approved by the Chief Executive Officer, Director of Operations, Finance & Technology or Designee. Formal RFP/Q solicitations shall be written to include the scope of work, specifications, and terms and conditions of the proposed purchase or contract. The solicitation shall provide sufficient details to assist prospective applicants in calculating an accurate, unconditioned, and stable bid.
  
5. As needed an IRFP/Q or RFP/Q may be structured to award to a pool of vendors. Pool vendors will be selected by the evaluation method set forth in the solicitation. Admittance into the pool does not guarantee a contract. Pools shall be refreshed at least once every 2 years. When pools are refreshed, First 5 Alameda may, at its discretion, allow for existing members to remain in the pool without re-qualifying if there have been no material changes in the qualifications of the pool member.
  
6. For services frequently used by F5AC, including but not limited to printing and catering, an IRFP/Q or RFP/Q may be structured to create a preferred vendor list, from which F5AC users may select a vendor without an additional procurement process. Admittance on to the list does not guarantee a contract. Preferred vendor lists shall be refreshed at least once every 2 years. When lists are refreshed, First 5 Alameda may, at its discretion, allow for existing members to remain on the list



without re-qualifying if there have been no material changes in the qualifications of the list member.

7. F5AC may procure services using cooperative agreements or piggybacking on procurements with other public agency partners, and may allow public partners to piggyback on F5AC solicitation opportunities. Cooperative agreements and piggybacking are permissible when a public entity or cooperative purchasing program allows other entities to utilize all or a portion of the goods and services as originally advertised, competed, evaluated, and awarded. Additionally, First 5 Alameda may include assignability clauses to contracts procured by First 5 Alameda to allow other public agencies to piggyback on these opportunities. When applicable, First 5 Alameda may also leverage contracts awarded by the State of California without further competitive bidding (Public Contracts Code Section 10298 et seq.).
8. Purchases of goods and services using Federal funds will adhere to requirements within the Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards.
9. All procurements listed must have appropriate documentation and approval by the Chief Executive Officer, Director of Operations, Finance & Technology or Designee and is required for all purchases.

#### **D. Procurement Notification and Appeals**

Once a procurement decision has been made through the Informal Request for Proposals or formal Request for Proposals solicitation process, F5AC will notify all proposers in writing of the intent to award the contract. Consistent with F5AC's commitment to developing community organization capacity, unsuccessful proposers will be provided the opportunity for a de-briefing. In the de-briefing, F5AC officials will explain the rationale for the procurement decision. The de-briefing process can help minimize appeals and may lead to higher quality proposals in the future.

The notification shall also outline the administrative appeals procedure, which includes these elements:

- Appeals must be filed in writing no longer than five business days from the date of the award notification.
- Appeals must include name, address, telephone of the party appealing, the title of the RFP/Q being appealed, and a detailed description of the legal and factual grounds of the appeal, with any supporting documentation.
- The appeal may only contest an administrative or procedural aspect of the procurement process, and may not appeal the merits of the proposal as determined by the evaluations scores and resulting ranking.
- All appeals will be routed to the Finance Officer who will serve as the Appeals Officer as designated by the CEO.

The Appeals Officer, at her/his discretion, may make a decision regarding the appeal without requesting further documentation. New grounds raised after the initial appeal letter is filed will not be considered. F5AC will confirm receipt of the appeal, will conduct an investigation and will notify the protestor within a reasonable amount of time.

If the appeal is upheld, F5AC may take one or more of the following actions:

- Refer the results back to the RFP/Q selection committee and direct them to review its decision and make a selection
- Conduct interview with each of the bidders and then make a selection.
- Terminate the RFP/Q without making a selection, and re-open the RFP/Q process.

#### **E. Sole Source Procurement**

Sole source procurement should only be used when competitive procurement providers are deemed infeasible for at least one of the following reasons:

- It has been determined that there is only one viable provider of the required services in the community due to the unique quality, durability, availability, exclusivity or fitness for a particular use sought by F5AC.
- After solicitation of a number of sources, competition is deemed inadequate.
- All providers of a particular service(s) will receive funding.
- The agency/individual was pre-selected by an external funder for this service.
- Categorical exemptions defined as purchases that do not lend themselves to a competitive procurement process, for example purchases where costs are regulated by a third party (bus tokens, postage), purchases that are governed by a different F5AC policy (conference, travel, event sponsorship), or items or service not possible to compete (subscriptions, memberships.)

Whenever sole source procurement is used, the rationale must be justified in writing and approved and signed by the CEO, Director of Operations, Finance & Technology or Designee before the contract is executed. Elements of a justification should include:

- Effort made to solicit bids, if any, and results;
- Summary of the reason for the sole source, based on the exceptions listed above;
- Cost information to justify the cost as reasonable and fair;
- Cost information for similar services and differences that should be noted and explained;
- A description of the vendor's previous work with F5AC and/or existing knowledge of the unique services being sought by F5AC.

For each IRFP/Q or RFP/Q 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. IRFP/Q and RFP/Qs will also be posted on the agency's website until the procurement is closed.

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.

**F. General Purchasing Policies**

1. To the extent possible, vendors located in Alameda County will be considered.
2. 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.
3. 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.
4. F5AC will pay invoices within 40 days of receipt. When discounts are offered, invoices will be paid within the discount period.
5. Payment of goods and services will follow guidelines as outlined in the First 5 Procedures Manual for:
  - Vendor invoices
  - Employee reimbursements
  - Agency credit card purchases
  - Purchase Orders
  - Contracts
6. F5AC will perform a review on all contracts or awards on an annual basis to ensure current value, effective work performance and/or continuation of program or project as included in the current approved Strategic Plan and will determine if the contract is renewable or if the services or project will be released for competitive bidding.

### G. Pre-Authorized Contracting

If F5AC is the recipient of non-First 5 Proposition 10 funds and is required to subcontract to specific organizations, these funds shall be subcontracted to the recipient organization without the application of the procurement policy. In the event that the Commission is required to include specific subcontractors in its proposals and selected for award of funds, the requirements of this policy shall not apply. If the Commission receives unallocated funds or funds that are not dedicated to a specific sub-recipient, the requirements of the policy will apply for use of those funds.

~~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, vendors located in Alameda County 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.~~

~~\*For Federally funded purchases, the bid or quote threshold is \$3,000.~~

~~E. Purchases of goods and services will follow guidelines as outlined in the First 5 Procedures Manual for:~~

~~I. Employee reimbursements up to \$1,000~~

~~II. Vendor payments~~

~~III. Agency credit card purchases~~

~~IV. Contracts~~

~~Appropriate documentation and approval by the Chief Executive Officer, Director of Operations & Technology or designated staff are required for all purchases.~~

~~F. 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 Director of Operations & Technology. 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 Director of Operations & Technology and will not be attributed to the \$50,000 limit for Commission approval if budget funds are available.~~

~~G. F5AC will pay invoices within 40 days of receipt. When discounts are offered, invoices will be paid within the discount period.~~

~~H. 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.~~

~~I. 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 UPDATED 4/21/2022

Per ~~Health and Safety Code Sections 130140(d)(5) and 130151(b)(2), 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 as indicated 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 to be spent on administrative costs is up to 15% 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 mid-year and year-end budget reports.

**Administrative Cost Policy - Schedule A**

The expenses listed are budgeted and may be assigned to program or evaluation costs if the item provides direct value to either program or evaluation costs and there is clear, auditable justification (labeled as “allocable”). They are allocated between Administrative, Evaluation and Program Expenses as follows:

<i>Expense</i>	<i>Cost-Center Administrative Expenses</i>	<i>Allocable or Direct Evaluation Expenses</i>	<i>Rationale/Allocation Method Program Expenses</i>
<u>Building Maintenance, Repairs</u>	<u>100%</u>		
Communications	<u>Admin Allocable</u>	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. <u>Allocable</u>
<u>**Contractual</u>	<u>See chart below</u>		
Copying/Printing	<u>Admin Allocable</u>	Allocable	<u>Head count Allocable</u>
Equipment Leases, Rentals, Maintenance	<u>Admin Allocable</u>	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. <u>Allocable</u>
Equipment Purchase	<u>Admin Allocable</u>	Allocable	<u>Head count Allocable</u>
Insurance	<u>Admin Allocable</u>	Allocable	<u>Head count Allocable</u>
Memberships, Dues	<u>Admin Allocable</u>	<u>Direct Allocable</u>	<u>Charged directly to division Allocable</u>
<u>*Personnel</u>	<u>See chart below</u>		
Postage	<u>Admin Allocable</u>	Direct and Allocable	When postage is for a specific program, it is direct. If shared, it is

			allocable by head count <u>Allocable</u>
Professional Services & Fees	<u>Admin</u> <u>Allocable</u>	Allocable	<u>Head count</u> <u>Allocable</u>
Space Rental	<u>A</u> <u>Allocable</u>	<u>Direct</u> <u>Allocable</u>	<u>Based on Square Footage</u> <u>Allocable</u>
Supplies	<u>Admin</u> <u>Allocable</u>	Direct and Allocable	If employees order supplies for specific program use, it is direct; otherwise it is allocable by <u>head count</u> <u>Allocable</u>
<u>Taxes &amp; Fees</u>	<u>100%</u>		
Travel	<u>Admin</u> <u>Allocable</u>	<u>Direct</u> <u>Allocable</u>	<u>Charged directly to division</u> <u>Allocable</u>
<u>Utilities</u>	<u>100%</u>		
Depreciation	<u>Admin</u> <u>100%</u>	Allocable	Percentage of budget

\* **Personnel** budgeted within Operational Support and ~~(AIT)(PPE)~~ Data and Evaluation strategies are allocated between Administrative, Evaluation and Program expenses as follows:

<u>Personnel</u>	<u>Administrative Expenses</u>	<u>Evaluation Expenses</u>	<u>Program Expenses</u>
<u>Office, Facilities Management</u>	<u>100%</u>		
<u>Administrative Staff</u>	<u>Allocable</u>	<u>Allocable</u>	<u>Allocable</u>
<u>Directors</u>	<u>Allocable</u>	<u>Allocable</u>	<u>Allocable</u>
<u>Human Resources Staff</u>	<u>100%</u>		
<u>Finance Staff</u>	<u>100%</u>		
<u>Finance Staff - Contracts &amp; Budget Specialists</u>	<u>Allocable</u>		<u>Allocable</u>
<u>Information Technology Staff</u>	<u>Allocable</u>	<u>Allocable</u>	<u>Allocable</u>
<u>Policy, Planning, Evaluation Staff</u>		<u>Allocable</u>	<u>Allocable</u>
<u>CEO Office Staff</u>	<u>Allocable</u>	<u>Allocable</u>	<u>Allocable</u>

\*\* **Contracts** budgeted within Operation Support and Data and Evaluation strategies ~~(AIT) (PPE)~~ are allocated between Administrative, Evaluation and Program expenses as follows:

<u>Contracts</u>	<u>Administrative Expenses</u>	<u>Evaluation Expenses</u>	<u>Program Expenses</u>
<u>Legal</u>	<u>Allocable</u>		<u>Allocable</u>
<u>Finance related/Audit</u>	<u>100%</u>		
<u>HR related</u>	<u>100%</u>		
<u>Strategic Planning</u>	<u>100%</u>		

**AGENDA ITEM 5a**

<u>Infrastructure</u>	<u>100%</u>		
<u>Evaluation</u>		<u>100%</u>	
<u>Data Management</u>	<u>Allocable</u>	<u>Allocable</u>	<u>Allocable</u>



FIRST 5 ALAMEDA COUNTY CONFLICT OF INTEREST CODE

APPROVED BY F5AC COMMISSION ON MAY 25, 2006

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

REVISIONS PROPOSED APRIL 21, 2022

**Conflict of Interest Code of  
The First 5 Commission of Alameda County (F5AC)**

The Political Reform Act, Government Code sections 81000, et seq., requires state and local government agencies to adopt and promulgate Conflict-of-Interest Codes. The Fair Political Practices Commission has adopted a regulation, California Code of Regulations, title 2, section 18730, which contains the terms of a standard Conflict-of-Interest Code, which can be incorporated by reference, and which may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act after public notice and hearings.

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

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

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

APPENDIX A

<u>Designated Position</u>	<u>Assigned Disclosure Category</u>
Board of Commissioners	1, 2, 3
Ex-Officio Representatives	1, 2, 3
Consultants*	4

APPENDIX B**Disclosure Categories of Staff****Category 1**

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

**Category 2**

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

**Category 3**

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

**Category 4**

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

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

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

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

APPENDIX A

**Designated Position**

**Assigned Disclosure Category**

Board of Commissioners	1, 2, 3
Ex-Officio Representatives	1, 2, 3
Consultants*	4
<u>Staff listed in Appendix B</u>	<u>1, 2, 3</u>

**CONFLICT OF INTEREST DISCLOSURE CATEGORIZATIONS CY 20~~22~~16**

<u>DESIGNATED OFFICIALS</u>	<u>DISCLOSURE CATEGORY</u>
<u>COMMISSIONER, CHAIR</u>	<u>1, 2, 3</u>
<u>COMMISSIONER, VICE CHAIR</u>	<u>1, 2, 3</u>
<u>COMMISSIONER ALTERNATE</u>	<u>1, 2, 3</u>
<u>COMMISSIONER</u>	<u>1, 2, 3</u>
<u>EX-OFFICIO REPRESENTATIVES</u>	<u>4</u>
<u>CONSULTANTS</u>	<u>4</u>

<u>Title</u>	<u>Disclosure Category</u>	<u>Individual</u>
Commissioner, Chair	1, 2, 3	Pamela Simms-Mackey
Commissioner, Vice Chair	1, 2, 3	Renee Herzfeld
Commissioner	1, 2, 3	Wilma Chan
Commissioner	1, 2, 3	Scott Coffin
Commissioner	1, 2, 3	Lori Cox



**AGENDA ITEM 5b**

Commissioner	1, 2, 3	Cecilia Echeverria
Commissioner	1, 2, 3	Tomas Magana
Commissioner Alternate	1, 2, 3	Michelle Love
Commissioner Alternate	1, 2, 3	Karina Rivera
Commissioner Alternate	1, 2, 3	Kimi Watkins-Tartt
Ex-Officio Representatives	1, 2, 3	None
Consultants	4	None

APPENDIX B

<u>Designated Employees</u>	<u>Disclosure Category</u>
<u>Accounting Manager</u>	<u>1, 2, 3</u>
<u>Accounts Payable Specialist</u>	<u>1, 2, 3</u>
<u>Chief Executive Officer</u>	<u>1, 2, 3</u>
<u>Chief of Staff</u>	<u>1, 2, 3</u>
<u>Communications Specialist</u>	<u>1, 2, 3</u>
<u>Contracts and Budget Specialist</u>	<u>1, 2, 3</u>
<u>Director of Human Resources</u>	<u>1, 2, 3</u>
<u>Director of Operations, Finance &amp; Technology</u>	<u>1, 2, 3</u>
<u>Director of Policy Planning, Policy &amp; Evaluation</u>	<u>1, 2, 3</u>
<u>Director of Programs</u>	<u>1, 2, 3</u>
<u>Evaluation Specialist</u>	<u>1, 2, 3</u>
<u>Family &amp; Community Support Programs Manager</u>	<u>1, 2, 3</u>
<u>Fathers Corps Program Administrator</u>	<u>1, 2, 3</u>
<u>Finance Administrator</u>	<u>1, 2, 3</u>

<u>Finance Officer</u>	<u>1, 2, 3</u>
<u>Help Me Grow Developmental Screening Coach</u>	<u>1, 2, 3</u>
<u>Help Me Grow Prevention Manager</u>	<u>1, 2, 3</u>
<u>Help Me Grow Program Services Coordinator</u>	<u>1, 2, 3</u>
<u>Help Me Grow Senior Community Liaison</u>	<u>1, 2, 3</u>
<u>Human Resources Administrator</u>	<u>1, 2, 3</u>
<u>Interim Director of Early Care and Education</u>	<u>1, 2, 3</u>
<u>Office &amp; Facilities Manager</u>	<u>1, 2, 3</u>
<u>Parent Engagement Administrator</u>	<u>1, 2, 3</u>
<u>Payroll &amp; Finance Manager</u>	<u>1, 2, 3</u>
<u>Program Administrator, Early Care &amp; Education</u>	<u>1, 2, 3</u>
<u>Program Administrator, Neighborhoods Ready for School</u>	<u>1, 2, 3</u>
<u>Program Administrator, Training</u>	<u>1, 2, 3</u>
<u>Provider Support Manager</u>	<u>1, 2, 3</u>
<u>Quality Improvement Coach</u>	<u>1, 2, 3</u>
<u>Quality Counts Rating Manager</u>	<u>1, 2, 3</u>
<u>Quality Rating Improvement Systems Administrator</u>	<u>1, 2, 3</u>
<u>Senior Administrator, Information Systems</u>	<u>1, 2, 3</u>
<u>Senior Administrator, Data &amp; Evaluation</u>	<u>1, 2, 3</u>
<u>Senior Administrator, Early Care and Education</u>	<u>1, 2, 3</u>
<u>Senior Administrator, Help Me Grow</u>	<u>1, 2, 3</u>
<u>Senior Administrator, Policy &amp; Data</u>	<u>1, 2, 3</u>
<u>Senior Administrator, Programs</u>	<u>1, 2, 3</u>



## FIRST 5 ALAMEDA COUNTY CONFLICT OF INTEREST POLICY

4/21/2022

### I. Purpose:

The F5AC Conflict of Interest Policy provides F5AC Commissioners, Advisory Bodies, and Staff with guidelines for carrying out their fiduciary duties while mitigating the risk of an actual or perceived conflict of interest.

### II. Policy

It is the policy of F5AC to avoid even the appearance of impropriety involving conflict of interest issues. F5AC promotes business practices that comply with conflict of interest and disclosure requirements, including but not limited to, the California Political Reform Act of 1974 and California Government Code sections 1090-1097 and 1125-1129 and F5AC's Conflict of Interest Code. When a Commissioner, Staff member, or Contractor in a position to influence a decision identifies a conflict of interest, that person must not participate in or give consideration to the matter from that point forward. A "decision" includes influencing a decision by discussing, advising, or making recommendations to the decisionmaker (i.e., a Commissioner, the Commission or the CEO) either directly or indirectly, that is, without significant intervening substantive review. Such discussion or advice includes conducting research, investigating, preparing or presenting any report, analysis or opinion, and providing information orally or in writing, all of which may be perceived as influencing the decision.

A perceived conflict of interest can also pose as great a risk to F5AC as an actual conflict of interest. Perceived conflicts should be treated with the same care as actual conflicts of interest under this Policy. This includes instances where F5AC Commissioners, Advisory Body members, and Staff members have involvement with an individual or organization that could be perceived to impair their objectivity.

It is the policy of F5AC that Commissioners must recuse themselves from making, participating in making, or in any way attempting to use their official position to influence a decision involving a grant or contract which financially benefits the Commissioner or the entity the Commissioner represents.

F5AC Commissioners, Staff members, and Contractors are prohibited from negotiating a contract with or participating in the hiring of a prospective employee, or, the supervising of an employee, if the contractor, prospective employee, or employee is an immediate family member. This prohibition includes discussing, making, participating in making, or using their official position to influence, directly or indirectly, the negotiations or employment process in favor of their immediate family member. Upon hire and as determined during the course of employment, F5AC will require Staff members to review and sign the Incompatible Activities Statement. (see Appendix A)

F5AC Commissioners, Advisory Body members and Staff members may be required to complete a Declaration of Interests (see Appendix B) to disclose any direct, indirect or perceived conflicts of interest and recuse themselves from making, participating in making or in any agency activity that may be perceived as influencing the decision.

### III. Definitions

A “conflict of interest” means that a person, their spouse, or their dependent child, has an “economic interest” in or relationship with a potential party to a contract with F5AC. A conflict of interest exists when:

- i. The person involved makes, participates in, or uses their official position to influence a F5AC decision;
- ii. It is foreseeable that the decision will have a material effect on the person’s “economic interest;” and,
- iii. The effect of the decision on the person’s economic interest will be distinguishable from its effect on the public generally.

However, government salaries, per diem expenses, and reimbursement for travel from a nonprofit entity, are all specifically excluded from the definition of income under the Political Reform Act. A government salary also does not constitute an interest in a contract (under Government Code section 1090) unless the contract directly involves the department of the entity that employs a Commissioner, in which case, the Commissioner must disclose the interest on the record and refrain from participating in the decision.

An “economic interest” is defined as any fee, money, investment, or financial gain, or benefit directly or indirectly from or by reason of any dealings with or service for F5AC. An “economic interest” includes, but is not limited to, specific types of investments, business positions, interests in real property, and reportable sources of income of the person, their spouse or dependent child.

An “immediate family member” is defined as a spouse, mother, father, brother, sister, child, grandmother or grandfather, son-in-law, daughter-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle or grandchild, step-parent, step-child or any person living in the employee's household.

### IV. Contract or Grant Eligibility Requirements

Commissioners and organizations with which they are affiliated are eligible to receive contract/grant funds if the following requirements are adhered to:

1. A Commissioner is required to recuse him or herself from any participation or consideration of the grant or contract before the Commission;
2. The Commissioner may not participate in any way in the presentation of the matter, in discussing the issue with other Commissioners or employees of F5AC, or in the vote on the funding.

This provision also applies if the Commissioner or an organization with which the Commissioner is affiliated has a subcontract with a F5AC grantee or contractor. In such a case, the Commissioner is required to recuse themselves when the funding is considered by the Commission since there is a financial benefit that may result from the award.

### V. Policy Review

This policy will be periodically reviewed by F5AC.

Any verbal statements or representations cannot, in any way, change or alter the written policies and procedures presented in these guidelines.

**Appendix A: FIRST 5 ALAMEDA COUNTY INCOMPATIBLE ACTIVITIES STATEMENT**

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**INTRODUCTION**

The purpose of the Incompatible Activities Statement (“Statement”) is to protect the outstanding record of personal integrity established by officers and employees in carrying out First 5 Alameda County (“F5AC”) responsibilities to the public and to other state and local agencies.

To assist employees with understanding the nature of incompatible activities, the following statement has been adopted, consistent with the provisions of Government Code section 1126. The prohibited activities described below are inconsistent, incompatible, in conflict with, or inimical to the duties of officers and employees of F5AC.

Activities which discredit F5AC or are detrimental to its goals, or are contrary to the best interests of the commission are not specifically covered by this Statement. However, such activities may be in violation of state law and may result in employee discipline.

The procedures for an employee to appeal a decision or obtain permission to engage in an outside activity or employment are described below under “Appeal Procedures”.

For purposes of this Statement, “employee” includes all officers and regular, permanent employees of F5AC.

**GENERAL POLICIES**

This Statement will be given to all current and future employees of F5AC. All potential employees must be informed that in accepting employment with F5AC, they consent to this Statement. Employees are expected to read the Statement, clarify any questions they may have about it, and sign the statement. The original signed statement shall be maintained in the employee’s personnel file.

This Statement does not attempt to specify every activity that may be incompatible, nor should it be taken as the only rules that must be observed and adhered to by an employee. The prohibited activities are provided as examples; specific activities must directly relate to an employee’s job.

**PROHIBITED ACTIVITIES**

Employment, activities, and enterprises that may cause, or give the appearance, of incompatibility or conflict of interest are prohibited under this Statement. Prohibited activities include, but are not limited to, all of the following:

**1. PRESTIGE OR INFLUENCE**

A F5AC employee shall not:

- Use the prestige or influence of F5AC for the employee’s private gain or advantage or the private gain or advantage of another

- Use his or her status as a F5AC employee to solicit directly or indirectly business of any kind or to purchase goods or services for private use at discounts from a person who does business with the commission
- Receive compensation, from other than F5AC, for lobbying the Legislature, the Governor, or any state or local agency, on any issue affecting the F5AC or matters under its jurisdiction

## **2. USE OF F5AC TIME AND PROPERTY**

Subject to applicable laws, rules, or regulations, each employee shall devote his or her full time, attention, and efforts to his or her commission employment during his or her hours of duty with F5AC. Accordingly, no F5AC employee shall use commission time, facilities, equipment or supplies for his or her private gain or advantage, or for the private gain or advantage of another person. Examples of misuse of commission time and property include, but are not limited to:

- Using F5AC organizational resources, such as postage or office supplies, for personal or private gain or advantage; and
- Arranging for employment outside of commission service during the employee's regular work hours with F5AC, excluding situations in which the employee uses vacation leave or paid time off (PTO) for those hours

## **3. CONFIDENTIAL INFORMATION**

No employee shall utilize his or her status as a F5AC employee to acquire access to confidential information other than on behalf of F5AC.

Additionally, no employee shall use such information for private gain or advantage or provide confidential information to persons to whom issuance of this information has not been authorized.

## **4. GIFTS**

No employee shall receive or accept, directly or indirectly, any gift, including money, or any service, gratuity, favor, entertainment, hospitality, loan, or any other thing of value from anyone who:

- Is doing, or is seeking to do, business of any kind with F5AC
- Is seeking a grant from F5AC
- Or whose activities are regulated or controlled by F5AC

Gifts should not be accepted under circumstances from which it could be reasonably concluded that the gift was intended to influence an employee's future official activities or reward him or her for past ones.

Exceptions to the above restrictions on gifts include inexpensive advertising items bearing the name of firms, such as pens, pencils, paperweights, calendars, and other gifts of minimal value. Gifts of this nature are acceptable.



**5. OUTSIDE COMPENSATION FOR F5AC DUTIES**

No employee shall receive or accept money or any other consideration from anyone other than F5AC for the performance of his or her duties as a F5AC employee.

No employee shall prepare, present, or publish any speech, article, or other writing relating to the operation of F5AC for compensation from a source other than the commission without prior approval of F5AC.

**6. ACTIVITIES UNDER EMPLOYEE’S JURISDICTION**

No employee shall perform an act or activity in other than his or her capacity as a F5AC employee knowing that the act may later be subject, directly or indirectly, to the employee’s control, inspection, review, audit or enforcement. For example, a F5AC employee who reviews grants proposals should not provide consultation services to an outside organization whose proposals the employee would later review as part of his/her work with F5AC.

**7. OUTSIDE EMPLOYMENT**

Accepting outside employment is permissible for F5AC employees when this employment does not conflict with F5AC work. If a F5AC employee is in doubt as to whether employment outside of F5AC may conflict with the employee’s position with F5AC, the employee shall inform his or her supervisor in writing prior to accepting such employment. If the supervisor cannot reach a decision, the supervisor will consult with the Ethics Officer, Human Resources Administrator, and/or CEO prior to making a decision.

General prohibitions on outside employment include, but are not limited to:

- Any employment outside of commission service for which the employee is selected or retained wholly or partially because of his or her position with F5AC, unless this work is for a public entity or another First 5 agency
- Employment by a person doing work financed by F5AC
- The private practice of law or other outside employment by an employee who is a member of the State Bar which may require his or her appearance before any state agency, Board or Commission, or any committee of the Legislature on behalf of his or her outside employer or client regarding a matter in which F5AC is involved

**8. CAMPAIGN ACTIVITIES**

Pursuant to Government Code section 8314, no employee shall participate in campaign activity, as specified in section 8314, on commission-compensated time.

**9. ADDITIONAL INCOMPATIBLE ACTIVITIES AND NOTICE PROCEDURES**

Although this Statement attempts to anticipate the types of incompatible activity issues that are most likely to arise for F5AC employees, it is not a complete list. Therefore, when F5AC learns that an employee is involved in an activity that F5AC believes is inconsistent, incompatible, in conflict with, or inimical to the employee’s employment with F5AC, the CEO, after consultation with the F5AC Ethics Officer, shall provide a written explanation of F5AC’s decision that the activity in question should be terminated. Unless otherwise justified for good cause, the activity in question shall be terminated within 30 days of receiving F5AC’s decision. F5AC’s decision is prospective only and is subject to the review and appeal process as described below.

## **APPEAL PROCEDURES**

Employees may file a complaint concerning the application of this Statement with the Ethics Officer of F5AC.

Employees are expected to comply with written or verbal work orders given to them by their supervisors. If an employee believes that an order to perform a specific duty is incompatible with his/her activities, the employee may ask his or her supervisor for a written order to perform that specific duty. (Supervisors need not provide written orders where the orders given employees do not relate to an incompatible act). If a supervisor refuses to provide a written order, an employee may submit a written summary of the supervisor's order to his/her personnel file. If an employee believes an order is in violation of this Statement, he or she has a right to pursue the issue through the grievance/complaint process, if the employee continues to have a good faith belief in the validity of the complaint, after conferring with the Ethics Officer of F5AC.

## **PENALTY FOR VIOLATION OF STATEMENT**

An employee who violates a provision of this Statement is subject to disciplinary action, including termination, in the case of intentional violation.

## **ETHICS OFFICER**

The Ethics Officer will develop provisions for educating employees about potential appeal of conflict violations, and in the case of unintentional violations, the Ethics Officer will direct the employee on the appropriate procedure and documentation to cure accidental or unintentional violations, with all related reporting requirements, including reports to the CEO and/or the Commission as appropriate where material issues are impacted.

An employee may also seek a prospective clearance of a potential conflict through a reasoned opinion or guidance from the Ethics Officer. If appropriate, the Ethics Officer may then seek assistance from the Attorney General's Office or specialized counsel. An employee retains the right to seek advice from the FPPC on any aspect of the Political Reform Act that affects his or her official duties.

## **FILING AND CERTIFICATION REQUIREMENT**

All employees must file a Certification of receipt of this Statement upon

- Initial appointment
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Additionally, all those employees subject to ethics training requirements must certify that they have reviewed the Statement as part of the ethics training required to be completed once every two calendar years.

## **CERTIFICATION**

The following certification is to be signed and submitted by employees to comply with the Incompatible Activities Statement.



**INCOMPATIBLE ACTIVITIES STATEMENT CERTIFICATION**

I have received, read and understood a copy of the First 5 Alameda County Incompatible Activities Statement.

I am not engaged in any incompatible activity at the present time. Before entering into any activity which might be considered incompatible, I will discuss the nature of the activity with my supervisor.



Signature

Date

Typed or Printed Name

Title    Employee ID Number

(Please complete and forward this page to Human Resources)

**APPENDIX B: DECLARATION OF INTERESTS**

In order for First 5 Alameda County to maintain an equitable and transparent funding process, we are asking that you disclose the names of agencies and businesses where you have a direct, indirect or appearance of conflict of interest.

**Direct conflicts:** defined as

- having a current or previous relationship with the agency (e.g. employment by the agency of you or your spouse or dependent children, current/past board membership, your child or an immediate family member receives services from the agency),
- having an interest in property that is within 500 feet of the agency, or
- receiving income or a gift from the agency within the last 12 months.

**Indirect conflicts:** defined as

- any family members (other than spouse or dependent children) having a current or previous relationship with the agency (e.g. employment, current/past board membership).

**Appearance of conflict of interest:** defined as

- Any situation where it could be perceived that a conflict exists (e.g. you have a strong bias for or against the agency, you are friends with the Executive Director of the agency).

Please include the names of agencies or businesses where you have direct, indirect or perceived conflicts of interest and the nature of your relationship:

Agency/Business	Nature of Relationship

Name: \_\_\_\_\_  
(Please print)

Signature: \_\_\_\_\_ Date: \_\_\_\_\_



## **FIRST 5 ALAMEDA COUNTY INCOMPATIBLE ACTIVITIES STATEMENT AND POLICY 4/21/2022**

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### **INTRODUCTION**

The purpose of the Incompatible Activities Statement (“Statement”) is to protect the outstanding record of personal integrity established by officers and employees in carrying out First 5 Alameda County (“F5AC”) responsibilities to the public and to other state and local agencies.

To assist employees with understanding the nature of incompatible activities, the following statement has been adopted, consistent with the provisions of Government Code section 1126. The prohibited activities described below are inconsistent, incompatible, in conflict with, or inimical to the duties of officers and employees of F5AC.

Activities which discredit F5AC or are detrimental to its goals, or are contrary to the best interests of the commission are not specifically covered by this Statement. However, such activities may be in violation of state law and may result in employee discipline.

The procedures for an employee to appeal a decision or obtain permission to engage in an outside activity or employment are described below under “Appeal Procedures”.

For purposes of this Statement, “employee” includes all officers and regular, permanent employees of F5AC.

### **GENERAL POLICY**

This Statement will be given to all current and future employees of F5AC. All potential employees must be informed that in accepting employment with F5AC, they consent to this Statement. Employees are expected to read the Statement, clarify any questions they may have about it, and sign the statement. The original signed statement shall be maintained in the employee’s personnel file.

This Statement does not attempt to specify every activity that may be incompatible, nor should it be taken as the only rules that must be observed and adhered to by an employee. The prohibited activities are provided as examples; specific activities must directly relate to an employee’s job.

### **PROHIBITED ACTIVITIES**

Employment, activities, and enterprises that may cause, or give the appearance, of incompatibility or conflict of interest are prohibited under this Statement. Prohibited activities include, but are not limited to, all of the following:

## 1. PRESTIGE OR INFLUENCE

A F5AC employee shall not:

- Use the prestige or influence of F5AC for the employee's private gain or advantage or the private gain or advantage of another
- Use his or her status as a F5AC employee to solicit directly or indirectly business of any kind or to purchase goods or services for private use at discounts from a person who does business with the commission
- Receive compensation, from other than F5AC, for lobbying the Legislature, the Governor, or any state or local agency, on any issue affecting the F5AC or matters under its jurisdiction

## 2. USE OF F5AC TIME AND PROPERTY

Subject to applicable laws, rules, or regulations, each employee shall devote his or her full time, attention, and efforts to his or her commission employment during his or her hours of duty with F5AC. Accordingly, no F5AC employee shall use commission time, facilities, equipment or supplies for his or her private gain or advantage, or for the private gain or advantage of another person. Examples of misuse of commission time and property include, but are not limited to:

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Signature

Date

Typed or Printed Name

Title

Employee ID Number

(Please complete and forward this page to Human Resources)



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

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

**Date:** April 21, 2022

**Subject:** FY 2022-23 Budget Proposal – First Reading

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#### **ACTION REQUESTED**

To review, discuss and provide feedback on the following FY 2022-23 Budget Proposal.

#### **BACKGROUND**

Each First 5 Commission is required by statute to adopt a Strategic Plan that outlines the use of tobacco tax funds to serve children age 0-5 and their families. First 5 Alameda County staff and Commission have been engaged in developing the new FY 2022-27 Strategic Plan with the support of Hickman & Associates. This budget proposal covers the first year of the new Strategic Plan period, FY 2022-23.

This presentation is the first reading of the FY 2022-23 budget proposal. Staff will prepare the second and final reading for the June Executive and Commission meetings. Any changes directed by the Commission, new information related to the tobacco tax and other revenue streams, as well as major changes to expenditures will be incorporated between now and the June reading. In addition, the presentation in June will include the list of contracts which require Commission authorization.

As is the practice of First 5 Alameda County, changes that occur during the course of the fiscal year will be formally incorporated into the budget during the Mid-Year Budget Modification in February 2023.

#### **CURRENT BUDGET PROPOSAL**

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

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

The following Revenue and Expense projections reflect the priorities of the first year of the new FY 2022-27 Strategic Plan that will be approved by the Commission in June 2022.

**REVENUE AND AVAILABLE FUNDS FOR FY 2022-23**

Combined Revenues and Sustainability Funds for FY 2022-23 are projected to be \$23.3 million. This figure is consistent with the proposed FY 2022-31 Long Range Financial Plan. \$3.4 million of Sustainability Funds is budgeted to close the gap between revenue and projected expenses (\$385k less than the current year's planned use of Sustainability Funds).

REVENUE TYPE	2022-23 PROPOSED	RATIONALE/DETAILS
<b>Prop 10 Tobacco Tax</b>		
	\$12,508,053	The tobacco tax revenue projection (Prop 10 and 56) is based on California Department of Finance and First 5 California projections for county commissions. Prop 10 Tobacco taxes are expected to decrease as per First 5 California's projections released in May 2021.
<b>Other First 5 Income</b>		
	\$1,294,073	Funding includes the First 5 California IMPACT 2020 grant to support local QRIS work and Children's Council of San Francisco (First 5 San Francisco) funding for the IMPACT Local Regional Training and Technical Assistance Hub.
<b>Interagency Income</b>		
	\$2,839,925	Funding includes contract with Alameda County Health Care Services Agency and Social Services Agency (via ACHCSA) to support Fathers Corp work, funding from the Alameda County Office of Education/CA State Block Grant for projected monies for QRIS 9 grant and Inclusive Learning Grant, funding from Alameda County Public Health Department for shared ECChange maintenance and hosting costs and the Help Me Grow Central Access Phone Line Services, funding from Alameda County Social Services Agency for workforce development activities and Early ID support, funding from the California Department of Education for the Preschool Development Grant, and projected monies from the California Department of Social Services for Quality Counts California QRIS Block Grant.
<b>Grants</b>		
	\$875,473	Funding from Sunlight Giving for general operating support, Alameda Alliance for Health and Stupski Foundation for the HMG Pediatric Care Pilot, and Kaiser Permanente Hospitals Foundation for Fatherhood activities.

REVENUE TYPE	2022-23 PROPOSED	RATIONALE/DETAILS
<b>Fiscal Leveraging</b>		
Fiscal Leveraging	\$2,000,000	Projected funding for Medi-Cal Administrative Activities (MAA); estimates are based on MAA invoices submitted in FY 2021-22.
<b>Other Income</b>		
	\$353,700	Projected other income includes revenue from investments and rental income from the First 5 Association.
<b>Total Revenue (1)</b>	<b>\$19,871,224</b>	Prop 10 Tobacco Tax, Other First 5 Income, Interagency Income, Grants, Fiscal Leveraging and Other Income
<b>Reserves: Prop 10 Sustainability Funds (2)</b>	<b>\$3,471,947</b>	Draw down from Proposition 10 Sustainability Fund to balance the budget.
<b>Grand Total</b>	<b>\$23,343,171</b>	Total Revenues and Available Funds = (1) + (2)

**EXPENDITURES FOR FY 2022-23**

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

**PROGRAMS STRATEGIES:**

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

**AGENCY STRATEGIES:**

- Data and Evaluation
- Policy and Advocacy
- Training
- Communications

**OPERATIONAL SUPPORT STRATEGY:**

- Finance
- Human Resources
- Technology
- Administration and Facilities

The following Expense proposal provides the cost for each of the ten strategies detailed in the Strategic Plan. The program strategy expenditures presented below consist of Salaries and Benefits, Program related Contracts, Grants, Stipends, Professional Services costs and Program Operating costs.

**AGENDA ITEM 6**

Operational Support Strategies include Finance, Human Resources, Technology, Administration and Facilities costs. Indirect agency infrastructure costs are reflected in the Operational Support Strategies budgets. The budget narrative provides detail on each Strategy and is to be read in conjunction with the Strategic Plan.

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

**Salaries and Benefits**

For FY 2022-23, total salaries and benefits are projected to be \$12,397,054. Salaries are budgeted based on actual amounts. Benefits are budgeted at 51% of salaries. Consistent with direction from the Commission, the approved benefit package has remained mostly consistent with Alameda County, including membership in the Alameda County Employee’s Retirement Association (ACERA). The 51% allocation is based on actual cost estimates that are revised periodically as needed.

The **Early Identification, Screening and Care Coordination** strategy budget proposal for FY 2022-23 is **\$3,077,489** and consists of:

FY 2022-23 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$3,077,489	<ul style="list-style-type: none"> <li>▪ Tobacco Tax</li> <li>▪ Medi-Cal Administrative Activities (MAA)</li> <li>▪ Alameda County Public Health Department</li> <li>▪ Alameda County Social Services Agency</li> <li>▪ Alameda Alliance for Health</li> <li>▪ Stupski Foundation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue support to parents and caregivers in accessing resources, and increase parent knowledge of child development through family navigation</li> <li>▪ Broaden screening efforts in alignment with Help Me Grow Strategic Plan including enhancing screening technology and purchase of ASQ kits</li> <li>▪ Continue support for HMG Pediatric Care Pilot</li> <li>▪ Continue programming for ACES Aware grant</li> <li>▪ Continue to explore local system integration and expansion with managed care plans, health care and social services agencies</li> </ul>

**AGENDA ITEM 6**

The **Parent Partnership** strategy budget proposal for FY 2022-23 is **\$3,158,000** and consists of:

<b>FY 2022-23 PROPOSED AMOUNT</b>	<b>FUNDING SOURCES</b>	<b>PROPOSED ACTIVITIES</b>
\$3,158,000	<ul style="list-style-type: none"> <li>▪ Tobacco Tax</li> <li>▪ Medi-Cal Administrative Activities (MAA)</li> <li>▪ Alameda County Social Services Agency</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue support of ECE workforce pilot program</li> <li>▪ Continue support of Family Navigation services</li> <li>▪ Continue support of Project DULCE activities</li> <li>▪ Continue support of parent focused services prioritizing children age 0-3 years with community partners and parent leaders to inform programming and investments</li> </ul>

The **Neighborhoods Ready for School** strategy budget proposal for FY 2022-23 is **\$3,500,000** and consists of:

<b>FY 2022-23 PROPOSED AMOUNT</b>	<b>FUNDING SOURCES</b>	<b>PROPOSED ACTIVITIES</b>
\$3,500,000	<ul style="list-style-type: none"> <li>▪ Tobacco Tax</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continued support of school readiness and place based work with Oakland Unified School District in the Castlemont Corridor</li> <li>▪ Continue support of Parent Café programming</li> <li>▪ Continue implementation of place based investments including West and East Oakland, Fruitvale/San Antonio neighborhoods and Union City</li> </ul>

The **Fatherhood** strategy budget proposal for FY 2022-23 is **\$767,283** and consists of:

<b>FY 2022-23 PROPOSED AMOUNT</b>	<b>FUNDING SOURCES</b>	<b>PROPOSED ACTIVITIES</b>
\$767,283	<ul style="list-style-type: none"> <li>▪ Tobacco Tax</li> <li>▪ Alameda County Health Care Services Agency</li> <li>▪ Kaiser Permanente Hospitals Foundation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue incorporating Father Friendly Principles into additional programs and community initiatives</li> <li>▪ Continue Father Friendly Principles awareness, adoption, implementation, and capacity building campaign to public systems and CBOs</li> <li>▪ Implement Fatherhood Interagency Workgroup</li> <li>▪ Support for Fatherhood Training and Technical Assistance for Northern California FJC Collaborative</li> </ul>



**AGENDA ITEM 6**

The **Quality Early Childhood Education (QECE)** strategy budget proposal for FY 2022-23 is **\$4,057,422** and consists of:

<b>FY 2022-23 PROPOSED AMOUNT</b>	<b>FUNDING SOURCES</b>	<b>PROPOSED ACTIVITIES</b>
\$4,057,422	<ul style="list-style-type: none"> <li>▪ Tobacco Tax</li> <li>▪ First 5 California</li> <li>▪ Children’s Council of San Francisco (Regional IMPACT T/TA Hub)</li> <li>▪ Alameda County Office of Education</li> <li>▪ CA Department of Education</li> <li>▪ CA Department of Social Services</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue to provide core infrastructure, coordinator and convener role for the Quality Rating and Improvement System (QRIS) system</li> <li>▪ Continue the recruitment, training and engagement of ECE providers in to the QRIS</li> <li>▪ Continue to conduct and communicate assessment and rating with providers</li> <li>▪ Continue to support trainings, playgroups and provide stipends for Family, Friend and Neighbor providers and Family Child Care sites</li> <li>▪ Provide coaching, consultation, quality improvement services and training on social emotional development (CSEFEL)</li> <li>▪ Continue support for sustainable advising and professional development in institutions of higher education</li> </ul>

The **Data and Evaluation** strategy budget proposal for FY 2022-23 is **\$1,058,400** and consists of:

<b>FY 2022-23 PROPOSED AMOUNT</b>	<b>FUNDING SOURCES</b>	<b>PROPOSED ACTIVITIES</b>
\$1,058,400	<ul style="list-style-type: none"> <li>▪ Tobacco Tax</li> </ul>	<ul style="list-style-type: none"> <li>▪ Funding to support evaluations of ECE Workforce activities, HMG Parent Survey, Fathers Corp 10 Year report, place-based work</li> <li>▪ Technical assistance to contractors for RBA reporting</li> <li>▪ Continue development of data dashboard, performance monitoring and analysis for each F5AC program strategy in alignment with results-based accountability</li> </ul>

The **Policy and Advocacy** strategy budget proposal for FY 2022-23 is **\$1,146,600** and consists of:

<b>FY 2022-23 PROPOSED AMOUNT</b>	<b>FUNDING SOURCES</b>	<b>PROPOSED ACTIVITIES</b>
\$1,146,600	<ul style="list-style-type: none"> <li>▪ Tobacco Tax</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue focus on local policy and systems changes to result in the institutionalization of the work that began at First 5</li> <li>▪ Contribute to First 5 Association policy work</li> <li>▪ Continue developing an annual policy platform for local efforts aligned with F5AC programs and priorities around school readiness, child development, family supports, child friendly neighborhoods</li> </ul>

**AGENDA ITEM 6**

		<ul style="list-style-type: none"> <li>Continue support of Alameda County Early Childhood Policy Committee activities</li> </ul>
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The **Training** strategy budget proposal for FY 2022-23 is **\$700,000** and consists of:

<b>FY 2022-23 PROPOSED AMOUNT</b>	<b>FUNDING SOURCES</b>	<b>PROPOSED ACTIVITIES</b>
\$700,000	<ul style="list-style-type: none"> <li>Tobacco Tax</li> </ul>	<ul style="list-style-type: none"> <li>Continue to provide training on best, promising practices and peer learning communities for the multi-disciplinary workforce serving families with young children</li> <li>Develop curriculum and capacity building tools connecting trainings to workforce development, parent engagement and place based strategies</li> <li>Support training for staff development program</li> </ul>

The **Communications** strategy budget proposal for FY 2022-23 is **\$605,000** and consists of:

<b>FY 2022-23 PROPOSED AMOUNT</b>	<b>FUNDING SOURCES</b>	<b>PROPOSED ACTIVITIES</b>
\$605,000	<ul style="list-style-type: none"> <li>Tobacco Tax</li> </ul>	<ul style="list-style-type: none"> <li>Continue development of dissemination strategy for F5AC reports and information</li> <li>Continue development of social media strategy</li> <li>Continue enhancements to agency website</li> <li>Develop multi-year campaign that connects with policy platform, parent engagement and education on child development</li> <li>Develop collateral materials regarding impacts of F5 investments to promote sustainability</li> </ul>

The **Operational Support (Finance, Human Resources, Technology, Administration and Facilities)** strategy budget proposal for FY 2022-23 is **\$5,272,977** and consists of:

<b>ADMINISTRATION, INFORMATION AND TECHNOLOGY STRATEGY</b>		
<b>FY 2022-23 PROPOSED AMOUNT</b>	<b>FUNDING SOURCES</b>	<b>PROPOSED ACTIVITIES</b>
\$5,272,977	<ul style="list-style-type: none"> <li>Tobacco Tax</li> <li>Medi-Cal Administrative Activities (MAA)</li> <li>Alameda County Public Health Department</li> </ul>	<ul style="list-style-type: none"> <li>Includes Administration, Technology, Finance, Human Resources, Commission, facilities management and consolidated operating costs to support agency operations</li> <li>Expand and update data systems to build capacity for cross data systems exchange of information including the enhancement of internal databases, expansion of data system</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Alameda County Social Services Agency</li> <li>▪ Investment Revenue</li> <li>▪ First 5 Association (rent)</li> <li>▪ Grant Indirect Revenue</li> </ul>	<p>agility and responsiveness, improved performance and productivity, update of electronic data sharing confidentiality and privacy practices</p> <ul style="list-style-type: none"> <li>▪ Includes agency wide infrastructure costs of insurance, memberships/dues, professional services, utilities, janitorial and maintenance</li> </ul>
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**Administrative Cap**

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

The proposed budgets' costs are:

FY 2022-23 COSTS	
Program	78.3%
Evaluation	7.7%
Administration	14.0%
<b>TOTAL</b>	<b>100.0%</b>

**Fiscal Impact**

The fiscal impact is \$23,343,171 in budgeted expenses, a major portion of which will be funded by a combination of Prop 10 and other revenue sources amounting to \$19,871,224. The balance is proposed to be funded by the use of Proposition 10 Sustainability Funds totaling \$3,471,947 in FY 2022-23.


**RECOMMENDATION**

That the Executive Committee review the FY 2022-23 Budget Proposal – First Reading and give feedback for clarification or changes in preparation for the second and final reading on May 26, 2022.

Submitted by:

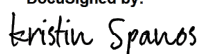
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Christine Hom  
 Finance Officer

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Maria Canteros  
 Finance Administrator

Approved by:

DocuSigned by:  
  
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Kristin Spanos  
 Chief Executive Officer

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

Revenues	Adopted Modified Budget FY2021-22	First Reading Proposed Budget FY2022-23	Change Increase/ (Decrease)	Notes	NOTES
<b>Proposition 10 Tobacco Tax Revenue</b>	<b>11,765,441</b>	<b>12,508,053</b>	<b>742,612</b>	1	Prop 10 and Prop 56 tobacco tax revenue projections per First 5 California's revenue projections released May 2021
<b>Other First 5 Income</b>					
First 5 California (IMPACT 2020)	1,049,218	1,136,073	86,855	2	First 5 California IMPACT 2020 grant has a 3 year term (July 2020 to June 2023), currently in year 3 of 3
First 5 California (IMPACT Incentive Layer)	309,613	-	(309,613)	3	The balance of IMPACT Incentive Layer award was spent down in FY2021-22
Children's Council of San Francisco (First 5 San Francisco/Hub)	110,000	158,000	48,000	4	First 5 IMPACT Regional Training and Technical Assistance Hub for Region 4
<b>Total Other First 5 Income</b>	<b>1,468,831</b>	<b>1,294,073</b>	<b>(174,758)</b>		
<b>Interagency Income</b>					
Alameda County Health Care Services Agency (Fathers Corp)	138,000	400,000	262,000	5	ACHCSA Fathers Corp projected 5 year award term July 2022 to June 2027
Alameda County Office of Education (QRIS 8/9)	447,292	447,292	-	6	ACOE QRIS 9 projected grant award term is July 2022 to June 2023
Alameda County Office of Education (Inclusive ELC Grant)	134,626	74,723	(59,903)	7	ACOE Inclusive ELC grant ends December 31, 2023
Alameda County Public Health Dept. (shared Technology costs)	114,000	122,812	8,812	8	ACPHD projected annual shared technology costs to support ECChange maintenance and hosting
<b>Federal Pass-through Grants:</b>					
Alameda County Public Health Dept. CHDP (Linkage Line)	449,344	479,658	30,314	9	ACPHD HMG Linkage Line grant award term is July 2020 to June 2023
Alameda County Social Services Agency (Workforce Pilot & HMG support)	717,507	717,507	-	10	ACSSA Workforce Pilot, Family Navigation & Early ID support grant award term July 2022 to June 2024
<b>Federal Pass-through State Grants:</b>					
California Dept. of Social Services (QCC QRIS Block Grant)	542,852	542,852	-	11	CDSS QCC Block Grant #5 projected grant award term July 2022 to June 2023
California Dept. of Education (Preschool Development Grant)	78,700	55,081	(23,619)	12	CDE PDG-R grant ends December 2022
<b>Total Interagency Income</b>	<b>2,622,321</b>	<b>2,839,925</b>	<b>217,604</b>		
<b>Grants</b>					
Sunlight Giving	595,852	120,000	(475,852)	13	Sunlight Giving general support award carryover of funds receive in FY2021-22
Alameda Alliance for Health	572,473	572,473	0	14	Projected Alameda Alliance for Health grant to support HMG's Pediatric Care Pilot (conduct member engagement activities related to care coordination)
Aurrera Health Group	50,517	-	(50,517)	15	Aurrera Health Group grant ended Sept 2021 supporting ACEs Aware activities
Stupski Foundation	100,000	73,000	(27,000)	16	Stupski Foundation grant ends October 2022 supporting HMG's Pediatric Care Coordination activities
Kaiser Permanente Foundation Hospitals	33,450	110,000	76,550	17	Kaiser Permanente Hospitals Foundation grant award (January 2022 to December 2023) will support Fatherhood Training and T/A for Northern California FJC Collaborative
Cal Wellness Foundation	45,000	-	(45,000)	18	No new one-time funding from California Wellness Foundation
<b>Total Grants</b>	<b>1,397,292</b>	<b>875,473</b>	<b>(521,819)</b>		
<b>Fiscal Leveraging - MediCal Administrative Activities</b>	<b>1,850,000</b>	<b>2,000,000</b>	<b>150,000</b>	19	MAA FY2022-23 projected revenue from FY2021-22 invoices (paid a year in arrears)
<b>Other Income</b>					
Investment Revenue	450,000	324,000	(126,000)	20	Projected investment revenue
Miscellaneous Revenue - Fatherhood Summit	189,999	-	(189,999)	21	No new funding projected for the Fatherhood Summit
Miscellaneous Revenue - Other	38,750	29,700	(9,050)	22	Rental income from First 5 Association
<b>TOTAL REVENUE</b>	<b>19,782,634</b>	<b>19,871,224</b>	<b>88,590</b>		
<b>RESERVES</b>					
<b>Proposition 10 - Sustainability Funds</b>	<b>3,857,433</b>	<b>3,471,947</b>	<b>(385,486)</b>		
<b>Proposition 10 - Prior year budget savings for Community Resilience Fund</b>	<b>678,391</b>	<b>-</b>	<b>(678,391)</b>		
<b>Interagency and Grants Revenues - received in prior years</b>					
<b>TOTAL REVENUES &amp; AVAILABLE FUNDS</b>	<b>24,318,458</b>	<b>23,343,171</b>	<b>(975,287)</b>		

**First 5 Alameda County**  
**Proposed Expenditure Budget by Expenditure Category**  
**July 1, 2022 - June 30, 2023**

Expenditures	Modified Budget FY 2021-22	Proposed Budget FY 2022-23	Difference	Variance from Prior Year	Notes
Personnel Costs	\$12,024,063	\$12,397,054	\$372,991	3%	1
Program Contracts/Grants	\$10,727,634	\$9,308,322	(\$1,419,312)	-13%	2
Program Operating Costs	\$511,563	\$492,445	(\$19,118)	-4%	3
Infrastructure Costs	\$1,055,197	\$1,145,350	\$90,153	9%	4
<b>TOTAL EXPENDITURES</b>	<b>\$24,318,458</b>	<b>\$23,343,171</b>	<b>(\$975,287)</b>	<b>-4%</b>	

**Notes:**

Major changes in Expenditure Category costs, between the FY 2021-22 Modified Budget and the Proposed FY 2022-23 Budget.

**1. Personnel Costs**

The FY 2022-23 proposed personnel costs includes new external funding in Fatherhood (Kaiser Foundation) and Early ID (Stupski Foundation) strategies and a minimal increase in Prop 10 funding to support anticipated adjustments due to the class and compensation study results.

**2. Contracts**

The FY 2022-23 proposed contracts budget reflects a decrease in costs of one-time administrative/Infrastructure costs (e.g., strategic planning, class and compensation study, technology and building upgrades) and the wrap-up of the two-year COVID-19 Community Resilience Fund activities.

**3. Program Operating Costs**

The FY 2022-23 proposed program operating expenses are minimally reduced with the continued plan for virtual program activities.

**4. Infrastructure Costs**

The FY 2022-23 proposed infrastructure costs reflect an increase in MAA fees and expected increase in agency insurance costs.

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

**AGENDA ITEM 6.3**

	Parent Partnership	Early ID	Quality Early Childhood Education	Fatherhood	Neighborhoods Ready for School	Policy & Advocacy	Data & Evaluation	Training	Communications	Operational Support (Finance, Human Resources, Technology & Admin/Facilities)	TOTAL PROPOSED BUDGET
<b>PROPOSED FY2022-23 BUDGET - FIRST READING</b>											
	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23
<b>Personnel Costs</b>											
Salaries & Benefits	1,140,004	2,316,059	2,011,024	386,747	528,070	1,055,097	882,103	379,153	500,000	3,198,797	12,397,054
<b>Program Contracts/Grants</b>											
Contracts	1,956,496	676,255	1,444,100	282,500	2,910,930	81,700	156,297	271,000	95,000	760,800	8,635,078
Grants & Stipends	0	0	450,000	24,000	0	0	0	0	0	0	474,000
Professional Services*	0	7,224	28,446	49,000	41,000	0	0	35,000	0	38,574	199,244
Total Contracts/Grants	1,956,496	683,479	1,922,546	355,500	2,951,930	81,700	156,297	306,000	95,000	799,374	9,308,322
<b>Program Operating Costs**</b>	61,500	77,951	123,852	25,036	20,000	9,803	20,000	14,847	10,000	129,456	492,445
<b>Infrastructure Costs</b>	0	0	0	0	0	0	0	0	0	1,145,350	1,145,350
<b>Total Direct Program Costs</b>	<b>3,158,000</b>	<b>3,077,489</b>	<b>4,057,422</b>	<b>767,283</b>	<b>3,500,000</b>	<b>1,146,600</b>	<b>1,058,400</b>	<b>700,000</b>	<b>605,000</b>	<b>5,272,977</b>	<b>23,343,171</b>



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

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

**Date:** April 21, 2022

**Subject:** FY 2022-2031 Long Range Financial Plan – First Reading

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**ACTION REQUESTED**

To review the following FY 2022-31 Long Range Financial Plan.

**BACKGROUND**

First 5 Alameda County has adopted a Long Range Financial Plan annually since March 2004. Adoption of a Long Range Financial Plan has been a statutory requirement of all First 5 Commissions since 2006-07. The current LRFP was formally approved by the Commission in June 2021. An update to the LRFP is included with underlying assumptions as well as historical background information. The update reflects the Proposed Budget for FY 2022-2023 and the most recent Prop 10 Tobacco Tax revenue forecast from the California Department of Finance and First 5 California that was received in May 2021.

**MINIMUM FUND BALANCE REQUIREMENTS**

First 5 Alameda County has used Sustainability Funds to augment operating budget needs and to meet revenue shortfalls, to the extent authorized by the Commission. The Sustainability Fund balance as of June 30, 2021 was \$34.1 million. This Fund may not be spent down to zero; some funds must be maintained as an operating reserve to cover ongoing cash flow requirements to act as a buffer for delays in receiving state tobacco tax monies or other revenues. The policy is to maintain an amount in the Fund Balance, at a minimum, equal to six months of operating expenses plus an amount to cover fiscal obligations under the Reduction in Workforce Policy.

**FISCAL IMPACT**

There is no fiscal impact.

**RECOMMENDATION**

To review the following FY 2022-31 Long Range Financial Plan and to give feedback for clarification or changes in preparation for the Commission’s second and final reading on June 2, 2022.



**AGENDA ITEM 7**

Submitted by:

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Christine Hom  
Finance Officer

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*Maria Canteros*  
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Maria Canteros  
Finance Administrator

Approved by:

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

**ASSUMPTIONS FOR THE REVISED LONG RANGE FINANCIAL PLAN**

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

**REVENUES**

FY 2021-22 figures reflect the revised budget approved in February 2022. For FY 2022-23 and subsequent years, the following revenue assumptions were used:

- **Tobacco Tax** – The California Department of Finance (DoF) prepared revised projections of First 5 tobacco tax revenues in May 2021 through the period ending FY 2025-26. These consider the effects of the federal tobacco tax, other declines in state tobacco tax revenues due to newer legislation (SBx2-7 Smoking Age Increase to 21 effective June 2016, Proposition 56 \$2 dollar tobacco tax increase effective April 2017) Prop 99, backfill amounts and other factors. The projections listed below cover FY 2026-2031.

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

<u>Fiscal Year</u>	<u>DoF Projection</u>	<u>Actual Revenue</u>
2010-2011	\$14.0m	\$14.3m
2011-2012	\$13.8m	\$14.5m
2012-2013	\$13.3m	\$13.6m
2013-2014	\$13.2m	\$13.2m
2014-2015	\$13.0m	\$13.3m
2015-2016	\$12.1m	\$13.2m
2016-2017	\$11.6m	\$12.6m
2017-2018	\$10.6m	\$11.3m
2018-2019	\$12.8m	\$12.1m
2019-2020	\$11.5m	\$12.6m
2020-2021	\$11.9m	\$13.0m
2021-2022	\$12.9m	
2022-2023	\$12.5m	
2023-2024	\$12.2m	
2024-2025	\$11.8m	
2025-2026	\$11.4m	
2026-2027	\$11.1m	
2027-2028	\$10.8m	
2028-2029	\$10.4m	
2029-2030	\$10.1m	
2030-2031	\$9.8m	

Based on the above DoF projection for FY 2022-23, the Long Range Financial Plan assumes a 3.1% decrease in tax revenue from the prior year. Moving forward beyond FY 2022-23, revenues are expected to continue decreasing at rates between approximately 2.6% and 3.7% per year through 2031. If actual revenues show a significant change during the year, the projection for

**AGENDA ITEM 7**

the current year will be brought to the Commission at mid-year, along with other budget modification proposals.

- **Interagency Income -**

- Funding from First 5 California (IMPACT 2020) – to support local QRIS work including rating and quality improvement in child care settings (\$1,136,000)
- Funding from First 5 San Francisco via Children’s Council of San Francisco – for the IMPACT Local Regional T/TA Hub \$158,000)
- Funding from AC Health Care Services Agency and AC Social Services Agency to support Fathers Corps work (projected award \$400,000)
- AC Public Health Department funding for ECChange database hosting and maintenance (\$123,000)
- Funding from AC Office of Education Block Grant 9 to support Quality Rating Improvement Systems work (projected award \$447,000)
- Funding from the AC Office of Education to support the Inclusive Early Learning Grant (\$74,000)
- AC Public Health Department funding for Help Me Grow (HMG) Linkage Line services (\$480,000)
- Pass through funding from AC Social Services Agency to support early child development activities in the Castlemont neighborhood, workforce development pilot and family navigation services (\$718,000)

- **State Grants -**

- Funding from the California Department of Social Services QCC QRIS Block Grant 4 (projected award \$543,000)
- Funding from the California Department of Education Preschool Development Grant (\$55,000)

- **Other Grants –**

- Projected funding from the Alameda Alliance for Health for continued support of HMG's Pediatric Care Pilot to conduct member engagement activities related to care coordination (\$572,000)
- Funding from the Stupski Foundation through October 2022 to support HMG’s Pediatric Care Coordination activities (\$73,000)
- Funding from Sunlight Giving for general operating support (\$120,000)
- Funding from Kaiser Permanente Foundation in support of Fatherhood activities (\$110,000)

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

- **Miscellaneous Income** – Consists primarily of rental income from the First 5 Association.

- **Fiscal Leveraging** – Since FY 2009-10, fiscal leveraging revenues consist entirely of federal reimbursements under the Medi-Cal Administrative Activities (MAA) program. Gross MAA revenues for the prior fiscal year are usually received 8-12 months in arrears. As a result of the perpetual time study methodology introduced by the granting agency in FY 2013-14 and the inclusion of actual client count for invoicing, revenues are expected to average approximately \$2 million. For the purposes of this LRFP, it is assumed that programs eligible for MAA claiming will

**AGENDA ITEM 7**

be reimbursed at this level in the FY 2022-23 budget year and conservatively continuing at approximately \$1.85 million through FY 2030-31.

- **Investment Revenue** – The FY 2022-23 proposed budget assume \$324,000 of investment revenue due based on current year projections.

**EXPENSES**

FY 2022-23 expenditure figures are from the current proposed budget process. For FY 2023-31, total expenses have been reduced to leave a minimum fund balance as recommended below. The plan does not provide for any cost of living allowances or inflationary increases. In prior years these increases have been covered within the range of annual budgetary savings, and this is expected to continue in future years as well.

**Use of Sustainability Funds**

The budgeted use of Prop 10 Sustainability Funds for FY 2022-23 is comprised of \$3.4 million to close the gap between revenue and projected expenses.

**MINIMUM FUND BALANCE REQUIREMENTS**

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

**HISTORICAL BACKGROUND**

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

The Sustainability Fund is projected to be approximately \$31 million at the end of the current 2021-22 fiscal year and was accumulated in a number of ways over the past years. First, the Fund developed through the initial reserve that occurred when tax dollars were accumulated but could not be spent until a Strategic Plan was passed (Jan. 1999-Jan. 2000). Thereafter, contributions to the Sustainability Fund were intentionally budgeted over several years (2001-2004). Finally, budgeted funds that remained unspent were directed by the Commission to be added to the Sustainability Fund, rather than be rolled-over to the subsequent year's budget (2001-present). It is important to note however that, Sustainability Funds have been budgeted for program use since 2005-06, which means that expenses have been projected higher than revenues in each of those years, but budget savings in those years made it unnecessary to draw from the Fund. These changes have resulted in draws periodically from the Sustainability Fund only since FY 2009-10.

**AGENDA ITEM 7**

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

	<u>Draw down from Sustainability for Operations (\$millions)</u>	
<u>Fiscal Year</u>	<u>Planned draw down</u>	<u>Actual amount drawn</u>
<u>FY 2009-2013 Strategic Plan</u>		
2009-10	\$6.9m	\$3.3m
2010-11	\$9.3m	\$6.7m <sup>1</sup>
2011-12	\$4.1m	\$0.8m
2012-13	\$9.0m	\$5.3m <sup>2</sup>
<u>FY 2013-17 Strategic Plan</u>		
2013-14	\$1.7m	\$0.0
2014-15	\$2.3m	\$1.5m
2015-16	\$2.3m	\$1.2m
2016-17	\$4.9m	\$0.0
<u>FY 2017-22 Strategic Plan</u>		
2017-18	\$3.5m	\$0.0
2018-19	\$2.0m	\$0.0
2019-20	\$3.7m	\$0.0
2020-21	\$6.1m	\$1.4m
2021-22	\$4.1m	-

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

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

Dollars in Thousands	2017 - 2022 Strategic Plan		2022 - 2027 Strategic Plan					2027-2031 Strategic Plan TBD			
	Actual 2020/21	Modified Budget 2021/22	Projections					Projections			
			2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
<b>Beginning Fund Balance</b>	\$ 35,568	\$ 34,158	\$ 30,838	\$ 27,366	\$ 23,656	\$ 19,504	\$ 14,987	\$ 10,127	\$ 7,884	\$ 7,319	\$ 6,690
<b>REVENUES</b>											
<b>Tobacco Tax</b>	\$ 13,045	\$ 12,947	\$ 12,508	\$ 12,240	\$ 11,798	\$ 11,433	\$ 11,090	\$ 10,757	\$ 10,435	\$ 10,122	\$ 9,818
<b>Other First 5 Revenue</b>	\$ 1,432	\$ 1,469	\$ 1,294	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
- First 5 California (IMPACT & IMPACT 2)	\$ 930	\$ 1,049	\$ 1,136								
- First 5 San Francisco/Childrens Council of SF (T/TA Hub)	\$ 117	\$ 110	\$ 158								
- First 5 California (IMPACT Incentive Layer)	\$ 385	\$ 310									
<b>Interagency Income - County</b>	\$ 5,960	\$ 2,001	\$ 2,242	\$ 928	\$ 880	\$ 880	\$ 880	\$ 480	\$ 480	\$ 480	\$ 480
- ACHCSA (Fathers Corps)	\$ 118	\$ 138	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400				
- ACPHD (Data Systems Hosting and Maintenance)	\$ 216	\$ 114	\$ 123								
- ACPHD Home Visiting/PHOC	\$ 54										
- AC Office of Educ. (QRIS Block Grant 6)	\$ 178										
- AC Office of Educ. (QRIS Block Grant 7)	\$ 215										
- AC Office of Educ. (QRIS Block Grant 8, 9 projected)		\$ 447	\$ 447								
- AC Office of Educ. (Inclusive Early Learning)	\$ 82	\$ 135	\$ 74	\$ 48							
<b>Interagency Income - Federal Pass-through</b>											
- ACPHD HMG Linkage Line	\$ 503	\$ 449	\$ 480	\$ 480	\$ 480	\$ 480	\$ 480	\$ 480	\$ 480	\$ 480	\$ 480
- ACPHD Dental Transformation (HTHC)	\$ 318										
- ACSSA (Navigation, Workforce Pilot, Comprehensive Child Dev)	\$ 676	\$ 718	\$ 718								
- ACSSA FCC Grants &Essential Supplies	\$ 3,600										
<b>State Grants</b>	\$ 1,000	\$ 622	\$ 598	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
- CA Dept. of Education (QCC QRIS Block Grant #2, #3, #4, #5 projected)	\$ 1,000	\$ 543	\$ 543								
- CA Dept. of Social Services (Preschool Development Grant)		\$ 79	\$ 55								
<b>Other Grants (Private, Foundation or Other)</b>	\$ 861	\$ 1,396	\$ 875	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
- Alameda Alliance for Health (projected for FY22-23)	\$ 165	\$ 572	\$ 572								
- Aurrera Health Group	\$ 276	\$ 50									
- Sunlight Giving	\$ 355	\$ 596	\$ 120								
- Stupski Foundation		\$ 100	\$ 73								
- CA Wellness Foundation (Fatherhood activities)		\$ 45									
- Kaiser Permanente Foundation		\$ 33	\$ 110								
- Packard Foundation	\$ 25										
- Connecticut Children's Medical Center	\$ 10										
- Center for the Study of Social Policy	\$ 30										
<b>Miscellaneous Income</b>	\$ 178	\$ 263	\$ 30	\$ 20	\$ 35	\$ 35	\$ 35	\$ 40	\$ 20	\$ 20	\$ 20
<b>Fiscal Leveraging (MAA)</b>	\$ 2,601	\$ 1,850	\$ 2,000	\$ 1,850	\$ 1,850	\$ 1,850	\$ 1,850	\$ 1,850	\$ 1,850	\$ 1,850	\$ 1,850
<b>Investment Income</b>	\$ 106	\$ 450	\$ 324	\$ 287	\$ 248	\$ 205	\$ 157	\$ 106	\$ 83	\$ 77	\$ 70
<b>TOTAL REVENUES</b>	\$ 25,183	\$ 20,998	\$ 19,871	\$ 15,325	\$ 14,811	\$ 14,403	\$ 14,012	\$ 13,234	\$ 12,867	\$ 12,548	\$ 12,238
<b>TOTAL EXPENSES</b>	\$ 26,593	\$ 24,318	\$ 23,343	\$ 19,035	\$ 18,963	\$ 18,920	\$ 18,872	\$ 15,476	\$ 13,433	\$ 13,177	\$ 12,420
<b>CASHFLOW</b>											
<b>Total Disbursements</b>	\$ 26,593	\$ 24,318	\$ 23,343	\$ 19,035	\$ 18,963	\$ 18,920	\$ 18,872	\$ 15,476	\$ 13,433	\$ 13,177	\$ 12,420
<b>(Shortfall)/Surplus Revenue over Expenses (Use of Sustainability Fund)</b>	\$ (1,410)	\$ (3,320)	\$ (3,472)	\$ (3,710)	\$ (4,152)	\$ (4,517)	\$ (4,860)	\$ (2,243)	\$ (565)	\$ (628)	\$ (182)
<b>Ending Fund Balance</b>	\$ 34,158	\$ 30,838	\$ 27,366	\$ 23,656	\$ 19,504	\$ 14,987	\$ 10,127	\$ 7,884	\$ 7,319	\$ 6,690	\$ 6,508
<b>MINIMUM FUND BALANCE REQUIRED (50% OR 6 Months of annual disbursement)</b>	\$ 13,297	\$ 12,159	\$ 11,672	\$ 9,518	\$ 9,482	\$ 9,460	\$ 9,436	\$ 7,738	\$ 6,716	\$ 6,588	\$ 6,210

### LONG RANGE FINANCIAL PLAN FY 2022 -2031 BUDGET & FUND BALANCE (\$000s)

