

FIRST 5 ALAMEDA COUNTY COMMISSION MEETING AGENDA

Thursday, April 25, 2024
9:00 AM – 11:30 AM

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

Members of the public may access the meeting
via Zoom Meeting ID: 863 0911 0359 Passcode: 771737

Commissioners:

Chair: Renee Herzfeld, *Vice Chair:* Cecilia Oregón, Tomás A. Magaña M.D., Clarissa Doutherd, Andrea Ford, Karina Moreno, Lena Tam, Kimi Watkins-Tartt

Alternates: George Ayala, Anissa Basoco-Villarreal, Serena Chen

- 1. Call to Order**
Commission Chairperson Renee Herzfeld will call this meeting to order at 9:00 AM.
- 2. Public Comment**
This portion of the meeting is reserved for persons desiring to address the Commission on any matter not on the agenda. Speakers are limited to three minutes except as otherwise ordered by the Chairperson.
- 3. Approval of Commission Meeting Minutes from February 15, 2024**
Recommended Action: Approve Minutes from February 15, 2024 Commission Meeting
- 4. Communication from Commissioners**
- 5. Receive Executive Committee Report**
- 6. Receive Staff Announcements**
 - a. Receive General Staff Announcements
- 7. Countywide Kindergarten Readiness Tool Decision-Making Series Presentation**
- 8. Approval of Fiscal Year 2023-2027 Contract Authorizations**
Recommended Action: Approve the Fiscal Year 2023-2027 Contract Authorizations.
- 9. Receive Fiscal Year 2024-25 Proposed Budget – First Reading**
- 10. Receive Fiscal Year 2024-34 Proposed Long Range Financial Plan – First Reading**
- 11. Approve First 5 California Fiscal Year 2022-23 Annual Report**
Recommended Action: Approve First 5 California Fiscal Year 2022-23 Annual Report
- 12. Fatherhood 10-Year Evaluation Presentation**

13. Receive First 5 California Commission and First 5 Association Updates

14. Receive Legislation and Public Policy Updates

CLOSED SESSION

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

Title: CEO

OPEN SESSION

16. Adjournment

Information about access:

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



First 5 Alameda County Commission Meeting
February 15, 2024, 9:00 AM – 11:30 AM
Zoom Webinar Meeting ID: 839 9021 3992

Commissioners Present: Chair Renee Herzfeld, Vice Chair Cecilia Oregón, Tomás A. Magaña M.D., Andrea Ford, Clarissa Doutherd, Karina Moreno
 Alternates Present: Serena Chen
 Not present: Lena Tam, Kimi Watkins-Tartt
 First 5 Staff Present: Kristin Spanos, Vanessa Cedeño, Cally Martin, Nick Zhao, Christine Hom
 Guest Presenters: Karl Meng, Jackie Wong

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
1. CALL TO ORDER AND ROLL CALL			
R. Herzfeld	The Commission meeting was called to order by Chair Herzfeld who gaveled in at 9:08 AM. Chair Herzfeld shared that the meeting was being recorded and conducted roll call. Commissioners Herzfeld, Oregón, Magaña, Ford, Moreno, and Alternate Chen stated their names to indicate that they were present for the meeting.	None	None
2. PUBLIC COMMENT			
R. Herzfeld	There was no Public Comment.	None	None
3. CONSENT CALENDAR			
R. Herzfeld	[Attachment] a. Approve Commission Meeting Minutes from December 14, 2023 b. Approve Fiscal Year 2023-25 Contract Authorization Chair Herzfeld asked if there was any public comment before taking a vote to approve. Chair Herzfeld facilitated the vote to approve the Consent Calendar.	Motion: Cecilia Oregón Second: Tomás Magaña Abstention: Andrea Ford Motion passed.	None
4. COMMUNICATION FROM COMMISSIONERS			
R. Herzfeld	There was no communication from Commissioners.	None	None
5. RECEIVE FEBRUARY 8, 2024 EXECUTIVE COMMITTEE REPORT			
C. Oregón	Vice Chair Oregón reported that the Executive Committee met on February 8, 2024. The Committee received the CEO general agency updates and a written update on two CEO Contract Authorizations; approved the Executive Committee's December 7, 2023 meeting minutes; reviewed and approved annual revisions to the Agency's governance policies and Employee Handbook; reviewed and recommended to the Commission approval of a FY 2023-25 Contract Authorization, the FY 2023-24 Mid-Year Financial Report and Proposed Budget Modifications and the FY 2023-24 Mid-Year Investment Report; and finally, approved the placement of the December 14, 2023 Commission meeting minutes and the FY 2023-25 Contract Authorization on today's consent calendar.	None	None

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
6. STAFF ANNOUNCEMENTS			
K. Spanos	[Attachment] a. Receive General Staff Announcements Ms. Spanos provided Staff Announcements.	Commissioner Doutherd arrived at 9:15 AM.	None
7. ELECT CHAIR AND VICE CHAIR FOR CALENDAR YEAR 2024			
R. Herzfeld	[Attachment] Chair Herzfeld asked the Commissioners for a nomination for Commission Chair and Vice Chair positions to serve for calendar year 2024. Chair Herzfeld asked if there was any public comment before taking a vote to approve. Chair Herzfeld facilitated the vote to approve the nomination of Renee Herzfeld as Commission Chair and Cecilia Oregón as Vice Chair for calendar year 2024.	Motion: Clarissa Doutherd Second: Tomás Magaña No Abstentions. Motion passed.	None
8. APPROVE FISCAL YEAR 2023-24 MID-YEAR FINANCIAL REPORT AND PROPOSED BUDGET MODIFICATIONS			
C. Hom	[Attachment] C. Hom presented the Fiscal Year 2023-24 Mid-Year Financial Report and Proposed Budget Modifications. Chair Herzfeld asked if there was any public comment before taking a vote to approve. Chair Herzfeld facilitated the vote to approve the Fiscal Year 2023-24 Mid-Year Financial Report and Proposed Budget Modifications.	Motion: Cecilia Oregón Second: Tomás Magaña No Abstentions. Motion passed.	None
9. APPROVE FISCAL YEAR 2023-24 MID-YEAR INVESTMENT REPORT AND PRESENTATION			
C. Hom K. Meng	[Attachment] Ms. Hom introduced Karl Meng, Portfolio Strategist with Chandler Asset Management, Inc., to present the Investment Report Presentation. Ms. Hom presented the Fiscal Year 2023-24 Mid-Year Investment Report. Chair Herzfeld asked if there was any public comment before taking a vote to approve. Chair Herzfeld facilitated the vote to approve the Fiscal Year 2023-24 Mid-Year Investment Report.	Motion: Cecilia Oregón Second: Clarissa Doutherd No Abstentions. Motion passed.	None
10. RECEIVE FIRST 5 CALIFORNIA PRESENTATION BY JACKIE WONG, EXECUTIVE DIRECTOR, FIRST 5 CALIFORNIA COMMISSION			
J. Wong	Ms. Spanos introduced Jackie Wong, Executive Director, First 5 California Commission to present the First 5 California Presentation.	None	None
11. RECEIVE FIRST 5 CALIFORNIA COMMISSION AND FIRST 5 ASSOCIATION UPDATES			
K. Spanos	[Attachment] Ms. Spanos noted that a written update of the First 5 California Commission and First 5 Association Updates was included in the meeting packet.	None	None
12. RECEIVE LEGISLATION AND PUBLIC POLICY UPDATES			
K. Spanos	[Attachment] Spanos noted that a written update of the Legislation and Public Policy Updates was included in the meeting packet.	None	None

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
13. ADJOURNMENT			
R. Herzfeld	Chair Herzfeld adjourned the meeting and gaveled out at 11:30 AM.	None	None

Respectfully Submitted By: Julia Otani, Executive Assistant



FIRST 5 ALAMEDA COUNTY EXECUTIVE COMMITTEE MEETING AGENDA

Thursday, April 18, 2024
11:00 AM – 12:30 PM

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

Members of the public may access the meeting
 via Zoom Meeting ID: 845 0501 5554 Passcode: 427553

Commissioners:

Chair: Renee Herzfeld, *Vice Chair:* Cecilia Oregón, Tomás A. Magaña

1. Public Comment

This portion of the meeting is reserved for persons desiring to address the Executive Committee on any matter not on the agenda. Speakers are limited to three minutes except as otherwise ordered by the Vice Chair.

2. Staff Announcements

- a. General Staff Announcements
- b. CEO Contract Authorizations

3. Approve Executive Committee Minutes from February 8, 2024

Recommended Action: Approve Minutes from February 8, 2024 Executive Committee meeting

4. Approve Annual Revisions to Governance Policies

Recommended Action: Approve Annual Revisions to Governance Policies:

- a. Financial Policies
 - i. Investment Policy

5. Approval of Fiscal Year 2023-2024 Contract Authorization

Recommended Action: Approve the Fiscal Year 2023-2024 Contract Authorization

6. Recommendation of Fiscal Year 2023-2027 Contract Authorizations

Recommended Action: Recommend the Fiscal Year 2023-2027 Contract Authorizations to the Commission for approval.

7. Fiscal Year 2024-25 Proposed Budget – First Reading

8. Fiscal Year 2024-34 Proposed Long Range Financial Plan – First Reading

Information about access:

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CLOSED SESSION

- 9. Public Employee Performance Evaluation – Closed Session (held pursuant to Gov. Code §54957)
Title: CEO**

OPEN SESSION

- 10. Adjournment**

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FY 2023-24 CEO-Approved Contracts List
 CEO Contract Authorizations and Amendments

Original Award, approved by Commission (6/22/23)							New Contracts or Augmentations, approved by CEO (2/8/24-4/18/24)			Contractor Aggregate Amount	
Strategy	Award Number	Contractor	Contract Start Date	Contract End Date	Original Description of Scope of Work	Amount	New Award, Amendment or Ancillary Amount	New Total Contract Amount	Description of New Contract or Added Scope of Work	Executive Committee Approval >\$150,000	Commission Approval >\$300,000
Technology	OS-TEC-2324-219	TECHsperience	7/1/2023	6/30/2024	Funding to provide technology infrastructure support and server maintenance and back up.	\$ 93,432.00	\$ 40,000.00	\$ 133,432.00	Funding to provide additional technology infrastructure support.	No	No
Communications	AS-CMC-2325-275	Vermilion, Inc.	4/1/2024	11/30/2024	N/A	N/A	N/A	\$ 100,000.00	Funding to design and develop a new website for First 5 Alameda County.	N/A	N/A
						\$ 93,432.00	\$ 40,000.00	\$ 233,432.00			



First 5 Alameda County Executive Committee Meeting
February 8, 2024, 11:00 AM - 12:30 PM
Zoom Webinar Meeting ID: 829 5949 9552

Commissioners Present: Chair: Renee Herzfeld, Vice Chair: Cecilia Oregon, Tomás A. Magaña, M.D
 First 5 Staff Present: Kristin Spanos, Cally Martin, Vanessa Cedeño Geiner, Nick Zhou, Christine Hom, Detra Teal, Maria Canteros

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
CALL TO ORDER			
C. Oregon	The meeting was called to order by Vice Chair Oregon who gaveled in at 11:04 AM and stated that the meeting was being recorded. Commissioners Herzfeld, Oregon and Magaña stated their names to indicate they were present for the meeting.	None	None
1. PUBLIC COMMENT			
C. Oregon	There was no Public Comment.	None	None
2. STAFF ANNOUNCEMENTS			
K. Spanos	[Attachment] a. General Staff Announcements b. CEO Contract Authorizations Ms. Spanos presented the General Staff Announcements and the CEO Contract Authorizations were provided as a written update.	None	None
3. APPROVAL OF MINUTES FROM DECEMBER 7, 2023			
C. Oregon	[Attachment] Vice Chair Oregon asked if there was any public comment before taking a vote to approve. Vice Chair Oregon facilitated the vote to approve the December 7, 2023 Executive Committee Meeting minutes.	Motion: Renee Herzfeld Second: Tomás Magaña No Abstentions. Motion passed.	None
4. APPROVE ANNUAL REVISIONS TO GOVERNANCE POLICIES			
N. Zhou C. Hom	[Attachment] a. Financial Policies b. Agency Policy Mr. Zhou presented the Annual Revisions to Governance Policies - Financial Policies Ms. Hom presented the Annual Revisions to Governance Policies - Agency Policy Vice Chair Oregon asked if there was any public comment before taking a vote to approve. Vice Chair Oregon facilitated the vote to approve the Annual Revisions to Governance Policies.	Motion: Tomás Magaña Second: Renee Herzfeld No Abstentions. Motion passed.	None

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
5. APPROVE REVISIONS TO EMPLOYEE HANDBOOK			
C. Martin	[Attachment] Ms. Martin presented the revisions to Employee Handbook. Vice Chair Oregón asked if there was any public comment before taking a vote to approve. Vice Chair Oregón facilitated the vote to approve Revisions to Employee Handbook.	Motion: Tomás Magaña Second: Renee Herzfeld No Abstentions. Motion passed.	None
6. RECOMMEND FISCAL YEAR 2023-25 CONTRACT AUTHORIZATION			
C. Hom	[Attachment] C. Hom presented the Fiscal Year 2023-25 Contract Authorization. Vice Chair Oregón asked if there was any public comment before taking a vote to recommend. Vice Chair Oregón facilitated the vote to recommend that the Fiscal Year 2023-25 Contract Authorization be brought to the Commission for approval.	Motion: Renee Herzfeld Second: Tomás Magaña No Abstentions. Motion passed.	The Fiscal Year 2023-25 Contract Authorization will be brought to the Commission for approval.
7. RECOMMEND FISCAL YEAR 2023-24 MID-YEAR FINANCIAL REPORT AND PROPOSED BUDGET			
C. Hom	[Attachment] Ms. Hom presented the Fiscal Year 2023-24 Mid-Year Financial Report and Proposed Budget. Vice Chair Oregón asked if there was any public comment before taking a vote to recommend. Vice Chair Oregón facilitated the vote to recommend that the Fiscal Year 2023-24 Mid-Year Financial Report and Proposed Budget be brought to the Commission for approval.	Motion: Tomás Magaña Second: Renee Herzfeld No Abstentions. Motion passed.	The Fiscal Year 2023-24 Mid-Year Financial Report and Proposed Budget will be brought to the Commission for approval.
8. RECOMMEND FISCAL YEAR 2023-24 MID-YEAR INVESTMENT REPORT			
C. Hom	[Attachment] Ms. Hom presented the Fiscal Year 2023-24 Mid-Year Investment Report. Vice Chair Oregón asked if there was any public comment before taking a vote to recommend. Vice Chair Oregón facilitated the vote to recommend that the Fiscal Year 2023-24 Mid-Year Investment Report be brought to the Commission for approval.	Motion: Renee Herzfeld Second: Tomás Magaña No Abstentions. Motion passed.	The Fiscal Year 2023-24 Mid-Year Investment Report will be brought to the Commission for approval.
9. ADJOURNMENT			
C. Oregón	Vice Chair Oregón placed the December 14, 2023 Commission meeting minutes and the Fiscal Year 2023-25 Contract Authorization on the February 15, 2024 Commission meeting's Consent Calendar, gaveled out, and adjourned the meeting at 12:08 PM.	None	The December 14, 2023 Commission meeting minutes and the Fiscal Year 2023-25 Contract Authorization will be placed on the February 15, 2024 Commission meeting's Consent Calendar.



To: First 5 Alameda County Executive Committee

From: Kristin Spanos, Chief Executive Officer
Cally Martin, Deputy Chief Executive Officer
Nick Zhou, Chief Financial Officer
Maria Canteros, Senior Administrator, Finance

Date: April 18, 2024

Subject: Update and Approval of Investment Policy Revisions

ACTION REQUESTED

Review and approve the updated revisions to the Investment Policy, as detailed below.

BACKGROUND

Following our commitment to regularly reviewing and updating our financial policies to align with best practices, regulatory changes, and the strategic goals of F5AC, we have identified specific areas within our Investment Policy that require revision. These changes aim to strengthen our investment process, ensure ethical standards, and optimize our portfolio management strategy.

1. Compliance with Ethical and Legal Standards:

- All participants in the investment process are mandated to comply with the Political Reform Act, Fair Political Practices Commission Regulations (2 C.C.R. §§ 18110 through 18998), the County's Conflict of Interest Policy, including, without limitation, the obligations related to filing of Form 700, notification, and recusal, as well as the prohibitions under Government Code section 1090. This revision ensures all investment activities are conducted within the highest ethical and legal standards.

2. Restrictions on Forward Settlements:

- The policy now prohibits the purchase of securities with a forward settlement date exceeding 45 days from the time of the investment. This restriction is intended to mitigate the risk associated with extended settlement periods and enhance the liquidity management of our portfolio.

3. Flexibility in Benchmarking:

- Acknowledging that market conditions and cash flow requirements are dynamic, we introduce the provision that benchmarks may change over time. This flexibility allows us

to adapt our performance evaluation metrics to better reflect the current investment environment and our organizational cash flow needs.

4. Responsible person title changes:

- This updated policy includes revisions replacing “Finance Officer” with “Chief Financial Officer” for all related responsibilities.


FISCAL IMPACT

There is no fiscal impact.

RECOMMENDATION

Approve revisions to the Investment Policy.

Submitted by:

DocuSigned by:

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Nick Zhou
Chief Finance Officer

Approved by:

DocuSigned by:

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Kristin Spanos
Chief Executive Officer

DocuSigned by:

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Maria Canteros
Senior Administrator, Finance

Reviewed by:

DocuSigned by:

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Cally Martin
Deputy Chief Executive Officer

FIRST 5 ALAMEDA COUNTY INVESTMENT POLICY**REVISED APRIL 2024**

~~AMENDED MAY 2005; AMENDED DEC. 2005, MAY 2006, JUNE 2007, JUNE 2008, JUNE 2009, JUNE 2010, JUNE 2011, JUNE 2012, MAY 2013, DECEMBER 2014, OCTOBER 2015, JUNE 2017, JUNE 2020 AND FEBRUARY 2022~~

I. APPLICABILITY

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

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

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

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

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

investment function. Negotiate compensation with them and monitor expenses paid and services received.

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

II. OBJECTIVES

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

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

markets (dynamic liquidity). In addition, F5AC shall maintain a minimum of three months of operating expenditures in the Alameda County Treasury.

3. **RETURN.** The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities generally shall be held until maturity, with the following exceptions:
 - A security with declining credit may be sold early to minimize loss of principal.
 - A security swap would improve the quality, yield, or target duration in the portfolio.
 - Liquidity needs of the portfolio require that the security be sold.

III. STANDARDS OF CARE

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

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

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

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

All participants in the investment process are required to comply with terms of the Political Reform Act, Fair Political Practices Commission Regulations promulgated thereunder (2 C.C.R. §§ 18110 through 18998), the County's Conflict of Interest Policy, including, without limitation, filing of Form 700, notification and recusal obligations, and Government Code section 1090 prohibitions.

~~2.3.~~ **DELEGATION OF AUTHORITY.** The management responsibility for the investment program is hereby delegated to the Chief Executive Officer (the CEO) who has further delegated the authority to conduct investment transactions and to manage the operation of the investment portfolio to the ~~Finance Officer~~Chief Financial Officer. The ~~Finance Officer~~Chief Financial Officer shall maintain a list of persons authorized to transact securities business for F5AC and no person may engage in an investment transaction except as expressly provided under the terms of this Policy.

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

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

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

1. SELECTION OF FINANCIAL INSTITUTIONS AND DEPOSITORIES

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

2. **SELECTION OF BROKER/DEALERS.** The ~~Finance Officer~~Chief Financial Officer shall maintain a list of broker/dealers authorized to provide investment services. All broker/dealers who desire to become qualified for investment transactions must meet the following criteria:
- Be recognized as a Primary Dealer by the Federal Reserve Bank of New York or have a primary dealer within their holding company structure; or
 - Report voluntarily to the Federal Reserve Bank of New York; or
 - Qualify under Securities and Exchange Commission (SEC) Rule 15c3-1 (Uniform Net Capital Rule).

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

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

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

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

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

3. **MINORITY AND COMMUNITY FINANCIAL INSTITUTIONS.** From time to time, the ~~Finance Officer~~Chief Financial Officer may choose to invest in instruments offered by minority and community financial institutions. In such situations, a waiver to certain parts of the criteria under Paragraph 2 may be granted by the Executive Committee. All terms and relationships shall be fully disclosed to the Executive Committee prior to purchase.
4. **WORKING WITH INVESTMENT ADVISORS/PORTFOLIO MANAGERS.** Investment advisors and portfolio managers shall be selected by the Executive Committee or their designee after an initial

screening and an interview process. Among the criteria for selection shall be the stability of the institution, track record, customer service, ability to comply with these investment policies, and typical return on investment.

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

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

V. SAFEKEEPING AND CUSTODY

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

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

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

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

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

All non-book entry (physical delivery) securities shall be held by the custodian bank or its correspondent bank and the custodian bank shall provide evidence that the securities are held by the bank for F5AC as “customer.”

VI. ELIGIBLE INVESTMENTS

A. Authorized Investments

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

1. U.S. Treasury Obligations: Treasury bills, Treasury notes, Treasury bonds and Treasury STRIPS with maturities not exceeding six years from the date of trade settlement. There is no limit on the percentage of the portfolio that may be invested in these obligations.
2. Federal Instrumentality Securities: Debentures, discount notes, callable securities, step-up securities and stripped principal or coupons with maturities not exceeding five years from the date of trade settlement. Federal Instrumentality securities shall be rated at least AAA or the equivalent by a nationally recognized statistical-rating organization (NRSRO) at the time of purchase. There is no limit on the percentage of the portfolio that may be invested in instrumentalities. The maximum percent of agency callable securities in the portfolio will be 20%.
3. Negotiable Certificates of Deposit: Negotiable Certificates of Deposit with a maturity not exceeding five years and issued by institutions which have long-term debt rated in a rating category of A or the equivalent or better by a NRSRO and/or have short-term debt rated at least A-1 or the equivalent by a NRSRO. Negotiable CDs in amounts up to the FDIC limit does not require any credit ratings. No more than 30% of the total portfolio may be invested in Negotiable Certificates of Deposit.
4. Repurchase agreements: Repurchase Agreements with a final maturity date not exceeding 1 year, collateralized by U.S. Treasury obligations or Federal Instrumentality securities listed in items 1 and 2. For the purpose of this section, the term collateral shall mean

purchased securities under the terms of F5AC's approved Master Repurchase Agreement. The purchased securities shall have a minimum market value including accrued interest of 102% of the dollar value of the funds borrowed. Collateral shall be held in safekeeping in F5AC's name by its custodian bank and the market value of the collateral securities shall be marked-to-the-market daily. There is no limit on the amount to be invested in repurchase agreements.

5. Prime Commercial paper: Prime Commercial Paper with a maturity not exceeding 270 days from the date of trade settlement with the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either sub-paragraph A. or sub-paragraph B. below:

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

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

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

6. State of California's Local Agency Investment Fund (LAIF): LAIF, in accordance with California Government Code Section 16429.1. LAIF investments are limited to statutory limits.
7. Corporate Medium-term Notes: Corporate medium-term notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States, with a final maturity not exceeding five years from the date of trade settlement, and rated in a rating category of A or the equivalent or better by a NRSRO. The aggregate investment in medium-term notes shall not exceed 30% of the total portfolio.
8. Mortgage Pass-through Securities and Asset-backed Securities from issuers not defined in sections 1 and 2 of the Authorized Investments section of this policy : Mortgage pass-through securities and asset-backed securities shall have a maximum legal final maturity of five years and shall be rated in a rating category of "AA" or the equivalent or better by a NRSRO. No more than 20% percent of the portfolio may be invested in such securities, and no more than 5% of the portfolio may be invested in any single issuer.
9. Money Market Mutual Funds: Money market mutual funds which are registered under the Investment Act of 1940; are "no-load" (meaning no commission or fee shall be charged on

purchases or sales or shares); have a constant net asset value of \$1.00; invest only in the securities and obligations authorized in California statutes; and have attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs. The aggregate investment in money market funds shall not exceed 20% of the portfolio.

10. Local Agency Obligations and Municipal Securities: Obligations of the State of California, California local agency obligations, as well as registered treasury notes or bonds of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California, rated in a rating category of A or the equivalent or better by at least one NRSRO. No more than 5% of the portfolio may be invested in any single issuer, and no more than 30% of the portfolio may be in Municipal Securities. The maximum maturity shall not exceed five (5) years.

11. Supranationals: Issues are US dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank. The securities shall be rated in a rating category of "AA" or the equivalent or higher by a NRSRO. No more than 30% of the total portfolio may be invested in these securities, with no more than 10% of the portfolio invested in any single issuer. The maximum maturity shall not exceed five (5) years.

12. Federally Insured Time Deposits (Non-Negotiable Certificates of Deposit) in state or federally chartered banks, savings and loans, or credit unions, provided that:
 - The amount per institution is limited to the maximum covered under federal insurance.
 - No more than 20% of the portfolio will be invested in a combination of federally insured and collateralized time deposits.
 - The maximum maturity does not exceed five (5) years.

13. Collateralized Time Deposits (Non-Negotiable Certificates of Deposit) in state or federally chartered banks, savings and loans, or credit unions in excess of insured amounts which are fully collateralized with securities in accordance with California law, provided that:
 - No more than 20% of the portfolio will be invested in a combination of federally insured and collateralized time deposits.
 - The maximum maturity does not exceed five (5) years.

B. Prohibited investment vehicles and practices

1. State law notwithstanding, any investments not specifically described herein are prohibited, including, but not limited to, mutual funds (other than government money

market funds as described in Section VI A(9), unregulated and/or unrated investment pools or trusts, collateralized mortgage obligations and futures and options.

2. Investing in inverse floaters, range notes, or mortgage derived interest-only strips is prohibited, per Government Code Section 53601.6.
3. Investment in any security that could result in a zero interest accrual if held to maturity is prohibited. Under a provision sunsetting on January 1, 2026, securities backed by the U.S. Government that could result in a zero- or negative-interest accrual if held to maturity are permitted.
4. Trading securities for the sole purpose of speculating on the future direction of interest rates is prohibited.
5. Purchasing or selling securities on margin is prohibited.
6. Using reverse repurchase agreements, securities lending or any other form of borrowing or leverage is prohibited.
7. Purchasing securities issued by company in the tobacco business, including parent companies and their controlled subsidiaries, is prohibited.
8. Purchasing foreign currency denominated securities.
9. The purchase of a security with a forward settlement date exceeding 45 days from the time of the investment is prohibited.

Prohibited investments held in the portfolio at the time of adoption of this Policy may be held until maturity at the discretion of the ~~Finance Officer~~ Chief Financial Officer.

C. Mitigating credit risk in the portfolio

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

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

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

D. Mitigating market risk in the portfolio

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

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

VII. PERFORMANCE OBJECTIVES AND EXPECTATIONS

The investment portfolio shall be designed to attain a market rate of return throughout

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

Benchmarks may change over time based on changes in market conditions or cash flow requirements.

VIII. SOCIAL AND ENVIRONMENTAL CONCERNS

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

IX. REPORTING

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

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

MONTHLY REPORTS

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

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

ANNUAL REPORTS

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

X. POLICY REVIEW

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

Glossary of Investment Terms

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- CERTIFICATE OF DEPOSIT ACCOUNT REGISTRY SYSTEM (CDARS).** A private placement service that allows local agencies to purchase more than \$250,000 in CDs from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS is currently the only entity providing this service. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than \$250,000 each, so that FDIC coverage is maintained.
- COLLATERAL.** Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits of public monies.
- COLLATERALIZED MORTGAGE OBLIGATIONS (CMO).** Classes of bonds that redistribute the cash flows of mortgage securities (and whole loans) to create securities that have different levels of prepayment risk, as compared to the underlying mortgage securities.
- COMMERCIAL PAPER.** The short-term unsecured debt of corporations.
- COST YIELD.** The annual income from an investment divided by the purchase cost. Because it does not give effect to premiums and discounts which may have been included in the purchase cost, it is an incomplete measure of return.
- COUPON.** The rate of return at which interest is paid on a bond.
- CREDIT RISK.** The risk that principal and/or interest on an investment will not be paid in a timely manner due to changes in the condition of the issuer.
- CURRENT YIELD.** The annual income from an investment divided by the current market value. Since the mathematical calculation relies on the current market value rather than the investor's cost, current yield is unrelated to the actual return the investor will earn if the security is held to maturity.
- DEALER.** A dealer acts as a principal in security transactions, selling securities from and buying securities for his own position.
- DEBENTURE.** A bond secured only by the general credit of the issuer.
- DELIVERY VS. PAYMENT (DVP).** A securities industry procedure whereby payment for a security must be made at the time the security is delivered to the purchaser's agent.
- DERIVATIVE.** Any security that has principal and/or interest payments which are subject to uncertainty (but not for reasons of default or credit risk) as to timing and/or amount, or any security which represents a component of another security which has been separated from other components ("Stripped" coupons and principal). A derivative is also defined as a financial instrument the value of which is totally or partially derived from the value of another instrument, interest rate, or index.
- DISCOUNT.** The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as T-bills and banker's acceptances, are known as discount securities. They sell at a discount from par, and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.
- DIVERSIFICATION.** Dividing investment funds among a variety of investments to avoid excessive exposure to any one source of risk.
- DURATION.** The weighted average time to maturity of a bond where the weights are the present values of the future cash flows. Duration measures the price sensitivity of a bond to changes in interest rates. (See modified duration).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

MUTUAL FUND. An entity which pools the funds of investors and invests those funds in a set of securities which is specifically defined in the fund's prospectus. Mutual funds can be invested in various types of domestic and/or international stocks, bonds, and money market instruments, as set forth in the individual fund's prospectus. For most large,

institutional investors, the costs associated with investing in mutual funds are higher than the investor can obtain through an individually managed portfolio.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



To: First 5 Alameda County Executive Committee

From: Kristin Spanos, Chief Executive Officer
Cally Martin, Deputy Chief Executive Officer
Nick Zhou, Chief Financial Officer
Maria Canteros, Senior Administrator, Finance

Date: April 18, 2024

Subject: Fiscal Year 2023-24 Contract Authorization

REQUESTED ACTION

To review the following Fiscal Year 2023-24 contract authorization.

BACKGROUND

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

Berlin Rosen LLC - \$20,000

First 5 Alameda County is requesting approval of a sole source Fiscal Year 2023-24 \$20,000 contract amendment with Berlin Rosen to provide strategic communications consultation and development support of the agency's editorial style guide and other select communications products.

Berlin Rosen currently has a Fiscal Year 2023-24 \$250,000 contract to develop and facilitate a change management framework including best practices and process improvement to systems thinking, data-driven decision making, performance management and learning and a Fiscal Year 2022-24 contract for \$55,000 (FY 2022-23 \$30,000, FY 2023-24 \$25,000) to provide executive leadership coaching and development training for First 5 executive leadership staff.

The addition of \$20,000 brings the aggregate amount for Fiscal Year 2023-24 to \$295,000 for which Executive Committee approval is needed.


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

Action requested: Approve an aggregate Fiscal Year 2023-24 award amount of \$295,000 for Berlin Rosen LLC.


RECOMMENDATION

That the Executive Committee approve the above contract authorization.

Submitted by:

DocuSigned by:

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Nick Zhou
Chief Financial Officer

Approved by:

DocuSigned by:

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Kristin Spanos
Chief Executive Officer

DocuSigned by:


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Maria Canteros
Senior Administrator, Finance

Reviewed by:

DocuSigned by:

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Cally Martin
Deputy Chief Executive Officer



To: First 5 Alameda Executive Committee

From: Kristin Spanos, Chief Executive Officer
Cally Martin, Deputy Chief Executive Officer
Nick Zhou, Chief Financial Officer
Maria Canteros, Senior Administrator, Finance

Date: April 18, 2024

Subject: Fiscal Year 2023-27 Contract Authorizations

REQUESTED ACTION

To review the following Fiscal Year 2023-27 contract authorizations.

BACKGROUND

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

Oakland Unified School District (OUSD) - \$40,376,580

First 5 Alameda County is requesting approval of a sole source Fiscal Year (FY) 2023-27 contract amendment not to exceed \$40,376,580 with Oakland Unified School District (OUSD). OUSD currently has a FY 2023-24 sole source contract for \$11,892,159 to make high-quality early education available to low-income families, provide professional development, coaching, and materials to early educators, and provide transitional support to low-income, high need families through intensive outreach and supports. The contract also supports enhanced ADA accessibility, play structure improvements at preschool sites, and facility improvements at the Kaiser Early Learning Center. The current contract term ends June 30, 2024.

This second contract amendment extends the contract term to June 30, 2027, which aligns with the term of First 5's agreement with the City of Oakland for the Oakland Children's Initiative. This additional award authorization funds access to free and affordable high-quality early care and education, including continued site expansion and improvements, family-friendly enrollment, student supports, family navigation, professional development and educator supports, and updates to the student enrollment system to align with TK-12.

For Fiscal Year 2024-25, the award authorization also adds \$2,474,400 in one-time costs for renovations to reopen the Washington Child Development Center, which is currently closed.

The addition of \$2,474,400 in one-time costs in FY 2024-25, three-year allocation of up to \$37,902,180, and existing award amount of \$11,892,159 brings the FY 2023-27 aggregate award amount to \$52,268,739 for which Commission approval is needed.

Fiscal Impact: Funding is provided by the contract with the City of Oakland for the Oakland Children’s Initiative where First 5 serves as the Early Education Fund Implementation Partner.

Action requested: Recommend an aggregate Fiscal Year 2023-27 award amount of \$52,268,739 for Oakland Unified School District.

City of Oakland Head Start (COOHS) - \$38,742,085

First 5 Alameda County is requesting approval of a sole source FY 2023-27 award authorization not to exceed \$38,742,085 with City of Oakland Head Start. COOHS currently has a FY 2023-24 sole source authorization for \$6,580,608 to support the ongoing implementation of Oakland Children's Initiative programming including infrastructure and personnel costs at the existing Tassafaronga, Arroyo Viejo, and Franklin sites and the new Martin Luther King site. It also supports materials and technology/nutritional resources at all sites, and new personnel to enhance services and increase operational capacity across all COOHS programs.

This contract amendment extends the contract term to June 30, 2027, which aligns with the term of First 5’s agreement with the City of Oakland for the Oakland Children’s Initiative. This additional award funds the continuation of programming, service expansion, family supports, and professional and workforce development.

For Fiscal Year 2024-25, the award authorization also adds \$426,073 in one-time costs for identification, assessment, and preparation of new sites.

The addition of \$426,073 in one-time costs in FY 2024-25, three-year allocation of up to \$38,316,012 and existing award amount of \$6,580,608 brings the FY 2023-27 aggregate award amount to \$45,322,693 for which Commission approval is needed.

Fiscal Impact: Funding is provided by the contract with the City of Oakland for the Oakland Children’s Initiative where First 5 serves as the Early Education Fund Implementation Partner.

Action requested: Recommend an aggregate Fiscal Year 2023-27 award amount of \$45,322,693 for City of Oakland Head Start.

RECOMMENDATION

That the Executive Committee recommend that the Commission approve the above contract authorizations.

Submitted by:

DocuSigned by:

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Nick Zhou
Chief Financial Officer

Reviewed by:

DocuSigned by:

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Cally Martin
Deputy Chief Executive Officer

DocuSigned by:

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Maria Canteros
Senior Administrator, Finance

Approved by:

DocuSigned by:

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Kristin Spanos
Chief Executive Officer



To: First 5 Alameda County Executive Committee

From: Kristin Spanos, Chief Executive Officer
Cally Martin, Deputy Chief Executive Officer
Nick Zhou, Chief Financial Officer
Maria Canteros, Senior Administrator, Finance

Date: April 18, 2024

Subject: Fiscal Year 2024-25 Proposed Budget – First Reading

ACTION REQUESTED

To review, discuss and provide feedback on the following Fiscal Year 2024-25 Proposed Budget.

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 ages 0-5 and their families. This budget proposal covers the third year of the new Strategic Plan period, Fiscal Year (FY) 2024-25.

This presentation is the first reading of the FY 2024-25 proposed budget. Staff will prepare the second and final reading for the June 2024 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 that 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 2025.

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

REVENUE AND AVAILABLE FUNDS FOR FY 2024-25

Combined Revenues and Sustainability Funds for FY 2024-25 are projected to be \$65.9 million. We are temporarily using our Sustainability Fund to make a loan to support a steady state so as not to reduce Agency capacity as we anticipate the continued build-out of our local early childhood system. This means we are continuing our maintenance of effort approach as we anticipate the receipt of Measure C funding, which will allow us to repay the loan from our Sustainability Fund, and to replace Prop 10 as tobacco tax revenue declines. Therefore, \$15.9 million of Sustainability Funds is budgeted to close the gap between revenue and projected expenses. This figure is consistent with the proposed FY 2024-33 Long Range Financial Plan.

REVENUE TYPE	2024-25 PROPOSED	RATIONALE/DETAILS
Tobacco Tax		
	\$8,768,292	The tobacco tax revenue projection (Prop 10, Prop 56 and the California Electronic Cigarette Excise Tax) is based on California Department of Finance and First 5 California projections for county commissions. Tobacco taxes are expected to decrease as per First 5 California's projections updated in January 2024 and reflect the decreased revenue due to the passing of the Prop 31 Flavored Tobacco Ban.
Measure AA Tax Revenue		
	\$32,519,042	City of Oakland Measure AA parcel tax funding for the Oakland Children's Initiative.
Other First 5 Income		
	\$865,657	Funding includes the projected First 5 California IMPACT Legacy grant to support local QRIS work, funding for the IMPACT Local Regional Training and Technical Assistance Hub and funding for the Home Visiting Regional Technical Assistance program activities via First 5 San Benito.
Interagency Income		
	\$2,845,037	Funding includes contracts with Alameda County Health Care Services Agency (with combined contribution from the Health Care Services Agency, Social Services Agency, Probation Department, and Child Support Services) to support Fathers Corp work; funding from the Alameda County Office of Education/CA State Block Grant for projected monies for the QRIS grant; funding from Alameda County Public Health Department for shared ECChange maintenance and hosting costs; funding from Alameda County Social Services Agency for workforce development activities, Early ID activities, continued development of the CEL application; and projected monies from the California Department of Social Services for Quality Counts California QRIS Block Grant.

REVENUE TYPE	2024-25 PROPOSED	RATIONALE/DETAILS
Grants		
	\$2,512,844	Funding from Sunlight Giving for general operating support; Alameda Alliance for Health and Stupski Foundation funding for the HMG Pediatric Care Pilot; Child Family & Community Services funding to support Parent Engagement activities and the Hellman Foundation to support development and implementation of a new Kindergarten Readiness Community Study tool.
Fiscal Leveraging		
Fiscal Leveraging	\$2,500,000	Projected funding for Medi-Cal Administrative Activities (MAA); estimates are based on MAA invoices submitted in FY 2023-24.
Total Revenue (1)	\$50,010,872	Tobacco Tax, Other First 5 Income, Interagency Income, Grants, Fiscal Leveraging and Other Income.
Reserves: Sustainability Fund (2)	\$15,938,228	Draw down from Sustainability Fund to balance the budget.
Grand Total	\$65,949,100	Total Revenues and Available Funds = (1) + (2)

EXPENDITURES FOR FY 2024-25

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 Care and 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 and an additional agency budget strategy for the Children's Health Initiative and Expansion. The

program strategy expenditures presented below consist of Salaries and Benefits, Program related Contracts, Grants, Stipends, Professional Services costs and Program Operating costs. Operational Support Strategies include Finance, Human Resources, Technology, Administration and Facilities costs. Indirect agency infrastructure costs are reflected in the Operational Support Strategies budgets. The budget narrative provides detail on each Strategy and is to be read in conjunction with the Strategic Plan.

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

Administrative Cost Analysis

First 5 Alameda County has implemented the new Administrative Cost Policy, approved by the Executive Committee on February 8, 2024. This revision aligns with the requirements set forth by AB 109 and SB 35, and adheres to the First 5 Financial Management Guide, ensuring compliance with state regulations. Moving away from a fixed cap, the policy now incorporates a detailed analysis of our indirect costs, conducted annually. This process allows us to determine a more precise allocation for administrative expenses. For the fiscal year 2024-25, this refined approach has resulted in an administrative cost allocation of 22%. This modification in our policy ensures that our budgeting is both responsible and reflective of our operational costs and needs, supporting our ongoing commitment to serve the children and families of Alameda County more efficiently.

The proposed budgets’ costs are:

FY 2024-25 COSTS	
Program	74%
Evaluation	4%
Administration	22%
TOTAL	100%

The proposed budget amounts in the following section represent the direct costs associated with each strategy before any adjustments for indirect costs.

Salaries and Benefits

For FY 2024-25, total salaries and benefits are projected to be \$24,472,129. Salaries are budgeted based on actual amounts. Benefits are budgeted at 54% 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 54% allocation is based on actual cost estimates that are revised periodically as needed.

AGENDA ITEM 7

The **Pediatric Care Coordination** (formerly Early Identification) budget proposal for FY 2024-25 is **\$4,929,405** and consists of:

FY 2024-25 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$4,929,405	<ul style="list-style-type: none"> ▪ Tobacco Tax ▪ Medi-Cal Administrative Activities (MAA) ▪ Alameda County Social Services Agency ▪ Alameda Alliance for Health ▪ Stupski Foundation 	<ul style="list-style-type: none"> ▪ Connect children and families to preventive care, child development resources, early intervention and community supports and help families navigate a complex system of service providers, ensuring equitable access to health and social resources ▪ Broaden screening efforts in alignment with Help Me Grow Strategic Plan including enhancing screening technology and purchase of ASQ kits ▪ Continue support for HMG Pediatric Care Pilot ▪ Continue programming for ACES Aware grant ▪ Continue to explore local system integration and expansion with managed care plans, health care and social services agencies

The **Parent Partnership** strategy budget proposal for FY 2024-25 is **\$2,564,249** and consists of:

FY 2024-25 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$2,564,249	<ul style="list-style-type: none"> ▪ Tobacco Tax ▪ Medi-Cal Administrative Activities (MAA) ▪ First 5 San Benito ▪ Child Family & Community Services 	<ul style="list-style-type: none"> ▪ Continue support of ECE workforce pilot program ▪ Continue support of Family Navigation services ▪ Continue support of Project DULCE activities ▪ Continue support of parent focused services prioritizing children ages 0-3 years with community partners and parent leaders to inform programming and investments

The **Neighborhoods Ready for School** strategy budget proposal for FY 2024-25 is **\$3,172,293** and consists of:

FY 2024-25 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$3,172,293	<ul style="list-style-type: none"> ▪ Tobacco Tax ▪ Medi-Cal Administrative Activities (MAA) 	<ul style="list-style-type: none"> ▪ Continue support of programs and services in the Castlemont Corridor and conducting neighborhood outreach and family engagement activities. ▪ Continue support of Parent Café programming ▪ Continue implementation of place-based investments in West and East Oakland, Fruitvale/San Antonio neighborhoods, and Union City.

The **Fatherhood** strategy budget proposal for FY 2024-25 is **\$808,800** and consists of:

FY 2024-25 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$808,800	<ul style="list-style-type: none"> ▪ Tobacco Tax ▪ Medi-Cal Administrative Activities (MAA) ▪ Alameda County Health Care Services Agency 	<ul style="list-style-type: none"> ▪ Continue incorporating Father Friendly Principles into additional programs and community initiatives ▪ Continue Father Friendly Principles awareness, adoption, implementation, and capacity building campaign to public systems and CBOs ▪ Implement Fatherhood Interagency Workgroup

The **Quality Early Care and Education (QECE)** strategy budget proposal for FY 2024-25 is **\$6,623,069** and consists of:

FY 2024-25 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$6,623,069	<ul style="list-style-type: none"> ▪ Tobacco Tax ▪ Medi-Cal Administrative Activities (MAA) ▪ First 5 San Benito ▪ Alameda County Office of Education ▪ Alameda County Social Services Agency ▪ CA Department of Social Services 	<ul style="list-style-type: none"> ▪ Continue to provide core infrastructure, coordinator and convener role for the Quality Rating and Improvement System (QRIS) ▪ Continue the recruitment, training and engagement of ECE providers in the QRIS ▪ Continue to conduct and communicate assessment and rating with providers ▪ Continue to support trainings, playgroups and provide stipends for Family, Friend and Neighbor providers and Family Child Care sites ▪ Provide coaching, consultation, quality improvement services and training on social emotional development (CSEFEL) ▪ Continue support for sustainable advising and professional development in institutions of higher education

The **Data and Evaluation** strategy budget proposal for FY 2024-25 is **\$2,472,637** and consists of:

FY 2024-25 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$2,472,637	<ul style="list-style-type: none"> ▪ Tobacco Tax ▪ Medi-Cal Administrative Activities (MAA) ▪ Hellman Foundation ▪ Child, Family & Community Services 	<ul style="list-style-type: none"> ▪ Continue to support evaluations of ECE Workforce activities, lactation programs, Pediatric Care Coordination and Neighborhoods Ready for School programs ▪ Continue development of data dashboard, performance monitoring and analysis for each F5AC program strategy in alignment with results-based accountability

AGENDA ITEM 7

The **Policy and Advocacy** strategy budget proposal for FY 2024-25 is **\$3,239,480** and consists of:

FY 2024-25 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$3,239,480	<ul style="list-style-type: none"> ▪ Tobacco Tax ▪ Medi-Cal Administrative Activities (MAA) ▪ Indirect Revenue 	<ul style="list-style-type: none"> ▪ Continue focus on local policy and systems changes to result in the institutionalization of the work that began at First 5 ▪ Contribute to First 5 Association policy work ▪ Continue developing an annual policy platform for local efforts aligned with First 5 programs and priorities around school readiness, child development, family supports, child friendly neighborhoods ▪ Continue support of Alameda County Early Childhood Policy Committee activities

The **Training** strategy budget proposal for FY 2024-25 is **\$604,661** and consists of:

FY 2024-25 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$604,661	<ul style="list-style-type: none"> ▪ Tobacco Tax ▪ Medi-Cal Administrative Activities (MAA) 	<ul style="list-style-type: none"> ▪ Continue to provide training on best and promising practices, and peer learning communities for the multi-disciplinary workforce serving families with young children ▪ Develop curriculum and capacity building tools connecting trainings to workforce development, parent engagement and place based strategies ▪ Support training for staff development program

The **Communications** strategy budget proposal for FY 2024-25 is **\$1,208,938** and consists of:

FY 2024-25 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$1,208,938	<ul style="list-style-type: none"> ▪ Tobacco Tax ▪ Medi-Cal Administrative Activities (MAA) ▪ Sunlight Giving ▪ Indirect Revenue 	<ul style="list-style-type: none"> ▪ Continue development of dissemination strategy for First 5 reports and information ▪ Continue development of social media strategy ▪ Build and maintain a new agency website ▪ Develop multi-year campaign that connects with policy platform, parent engagement and education on child development ▪ Develop collateral materials regarding impacts of F5 investments to promote sustainability and scale

The **Operational Support (Finance, Human Resources, Technology, Administration and Facilities)** strategy budget proposal for FY 2024-25 is **\$10,987,567** and consists of:

OPERATIONAL SUPPORT STRATEGY		
FY 2024-25 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$10,987,567	<ul style="list-style-type: none"> ▪ Tobacco Tax ▪ Medi-Cal Administrative Activities (MAA) ▪ Alameda County Public Health Department ▪ Alameda County Social Services Agency ▪ Indirect Revenue 	<ul style="list-style-type: none"> ▪ Includes Administration, Technology, Finance, Human Resources, Commission, facilities management and consolidated operating costs to support agency operations ▪ Expand and update data systems to build capacity for cross data systems exchange of information including the enhancement of internal databases, expansion of data system agility and responsiveness, improved performance and productivity, update of electronic data sharing confidentiality and privacy practices ▪ Includes agency wide infrastructure costs of insurance, memberships/dues, professional services, utilities, janitorial and maintenance


Fiscal Impact

The fiscal impact is \$65,949,100 in budgeted expenses, a major portion of which will be funded by a combination of Prop 10 and other revenue sources amounting to \$50,010,872. The balance is proposed to be funded by the use of Proposition 10 Sustainability Funds totaling \$15,938,228 in FY 2024-25.

RECOMMENDATION

That the Executive Committee review the FY 2024-25 Proposed Budget – First Reading and give feedback for clarification or changes in preparation for the Commission’s second and final reading on June 20, 2024.

Submitted by:

DocuSigned by:

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 Nick Zhou
 Chief Financial Officer

Reviewed by:

DocuSigned by:

 E38237316EC4482...
 Cally Martin
 Deputy Chief Executive Officer

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 Maria Canteros
 Senior Administrator, Finance

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 Kristin Spanos
 Chief Executive Officer

**First 5 Alameda County
Proposed Budget - Revenue
July 1, 2024 - June 30, 2025**

Revenues	Final Revised Budget FY2023-24	First Reading Proposed Budget FY2024-25	Change Increase/ (Decrease)	Notes
Tobacco Tax Revenue	9,577,736	8,768,292	(809,444)	FY24-25 Projected Tobacco Tax revenue, per the January 2024 update from First 5 California.
Measure AA Parcel Tax Revenue	24,513,168	32,519,042	8,005,874	FY24-25 projected OCI revenue includes carryover added to base allocation.
Other First 5 Income				
First 5 San Benito (IMPACT Legacy & Hub)	1,311,063	695,486	(615,577)	Budget year 2 of 2 supporting the IMPACT Legacy and IMPACT T/TA Hub activities.
First 5 San Benito (Home Visiting Regional Technical Assistance)	170,171	170,171	-	Budget year 2 of 2 supporting the Home Visiting Regional TA program activities.
Total Other First 5 Income	1,481,234	865,657	(615,577)	
Interagency Income				
Alameda County Health Care Services Agency (Fathers Corp)	464,800	410,000	(54,800)	Budget year 3 of 5 supporting the Fathers Corp, includes \$10,000 rollover funds for completion of the Fatherhood evaluation.
Alameda County Office of Education (QRIS Block Grant)	614,934	614,934	-	Projected level-funding to support the ACOE CSPP Block Grant quality improvement and rating activities.
Alameda County Office of Education (Inclusive ELC Grant)	26,561	-	(26,561)	Renewal funding has not been confirmed from ACOE to support the Inclusive Early Learning Community grant award ended December 31, 2023; renewal of funds has not been confirmed.
Alameda County Public Health Dept. (shared Technology costs)	141,409	141,409	-	Projected ACPHD annual shared technology costs to support ECChange maintenance and hosting.
Alameda County Public Health Dept. (Perinatal Health Outreach Services)	140,000	-	(140,000)	Funding to support the PHOC staff position sunsets June 30, 2024.
Alameda County Social Services Agency (CEL Application)	882,222	421,684	(460,538)	One-time funding to support the CEL Application development, contract extended to June 30, 2025.
City of Berkeley (Fathers Corp)	25,000	-	(25,000)	One-time funding to support the Fatherhood activities in FY23-24.
Federal Pass-through Grants:				
Alameda County Housing and Community Development Agency (Unincorporated Needs Assessment)	30,407	-	(30,407)	One-time funding to support the needs assessment for the unincorporated Alameda County ends June 30, 2024.
Alameda County Public Health Dept. CHDP (CAP)	479,658	-	(479,658)	Funding to support the Central Access Phone lines sunsets June 30, 2025.
Alameda County Social Services Agency (Family Navigator, Comprehensive Child Development and Workforce Pilot)	717,508	725,000	7,492	Budget year 1 of 3 supporting the Workforce Apprenticeship pilot, family navigation and HMG activities, contract ends June 30, 2027.
Federal Pass-through State Grants:				
California Dept. of Social Services (QCC QRIS Block Grant)	515,119	532,010	16,891	Projected FY24-25 award for the Quality Counts California QRIS Block grant.
Total Interagency Income	4,037,618	2,845,037		
Grants				
Sunlight Giving	525,000	440,000	(85,000)	General Support award year 3 of 3 for \$200K plus carryover.
Alameda Alliance for Health	1,594,344	1,594,344	-	Projected level-funding to support the Pediatric Care Coordination and Pilot activities.
Hellman Foundation (via CA Children and Families Foundation)	100,000	100,000	-	One-time 2 year award to support KRA-activities, supporting the School Readiness Consulting (SRC) contract.
Stupski Foundation	214,877	106,000	(108,877)	One-time funding to support the Pediatric Care Coordination Director position, funding ends December 31, 2024.
Kaiser Permanente Hospitals Foundation	102,188	-	(102,188)	One-time funding to support Fatherhood activities ended December 31, 2023.
Child Family & Community Services (via CA Children and Families Foundation)	1,072,600	272,500	(800,100)	One-time funding from defunct organization to support Parent Partnership activities.
California Wellness Foundation	20,000	-	(20,000)	One-time funding to support the Fatherhood Summit.
Heising-Simons Foundation	20,000	-	(20,000)	One-time funding to support the Fatherhood Summit.
Kresge Foundation	70,000	-	(70,000)	One-time funding to support the Fatherhood Summit.
Fatherhood Summit Sponsors	61,070	-	(61,070)	One-time funding to support the Fatherhood Summit.
Total Grants	3,780,079	2,512,844	(1,267,235)	
Fiscal Leveraging - MediCal Administrative Activities	2,500,000	2,500,000	-	Projected revenue from Medi-cal Administrative Activities (MAA).
Other Income				
Investment Revenue	324,000	-	(324,000)	Projected decrease in investment revenue as use of sustainability funds are planned.
Miscellaneous Revenue - Other	-	-	-	
TOTAL REVENUE	46,213,835	50,010,872	3,797,037	
RESERVES				
Proposition 10 - Sustainability Funds	10,177,886	15,938,228	5,760,342	
TOTAL REVENUES & AVAILABLE FUNDS	56,391,721	65,949,100	9,557,380	

First 5 Alameda County
Proposed Expenditure Budget by Expenditure Category
July 1, 2024 - June 30, 2025

Expenditures	Final Revised Budget FY2023-24	1st Reading Proposed Budget FY2024-25	Difference	Variance from Prior Year	Notes
Personnel Costs	\$20,726,421	\$24,472,129	\$3,745,708	18%	
Program Contracts/Grants	\$33,534,005	\$39,305,516	\$5,771,511	17%	
Program Operating Costs	\$629,447	\$649,495	\$20,048	3%	
Infrastructure Costs	\$1,501,848	\$1,521,960	\$20,112	1%	
TOTAL EXPENDITURES	\$56,391,721	\$65,949,100	\$9,557,379	17%	

Notes:

Major changes in Expenditure Category costs, between the FY 2023-24 Final Revised Budget and the Proposed FY 2024-25 Budget.

1. Personnel Costs

FY 2024-25 proposed personnel increases to support the implementation of the Children's Health Initiative (Measure AA) and infrastructure expansion.

2. Program Contracts/Grants

FY 2024-25 proposed increase in contracts and grants reflect increases in the Oakland Children's Initiative partners to include carover funds.

3. Program Operating Costs

FY 2024-25 proposed increase in program costs are adjusted based on funded activities.

**First 5 Alameda County
Proposed Operating Expenditure Budget By Strategy
July 1, 2024 - June 30, 2025**

AGENDA ITEM 7.3

	Parent Partnership	Pediatric Care Coordination	Quality Early Care and Education	Fatherhood	Neighborhoods Ready for School	Policy & Advocacy	Data & Evaluation	Training	Communications	Operational Support (Finance, Human Resources, Technology & Admin/Facilities)	Children's Health Initiative	TOTAL ORIGINAL BUDGET
FY 2024-25 1ST READING PROPOSED BUDGET												
	FY 2024-25	FY 2024-25	FY 2024-25	FY 2024-25	FY 2024-25	FY 2024-25	FY 2024-25	FY 2024-25	FY 2024-25	FY 2024-25	FY 2024-25	FY 2024-25
Personnel Costs												
Salaries & Benefits	972,067	3,965,171	4,062,562	511,054	608,373	2,866,274	1,456,527	417,258	494,611	7,421,417	1,696,814	24,472,129
Program Contracts/Grants												
Contracts	1,592,182	891,134	1,948,203	240,000	2,487,920	288,206	1,007,500	109,200	603,800	1,809,000	27,598,186	38,575,331
Grants & Stipends	0	0	442,000	3,000	0	0	0	0	0	0	0	445,000
Professional Services*	0	0	85,151	30,000	61,000	0	0	58,300	0	50,734	0	285,185
Total Contracts/Grants	1,592,182	891,134	2,475,354	273,000	2,548,920	288,206	1,007,500	167,500	603,800	1,859,734	27,598,186	39,305,516
Program Operating Costs**	0	73,100	85,153	24,746	15,000	85,000	8,610	19,903	110,527	184,456	43,000	649,495
Infrastructure Costs	0	0	0	0	0	0	0	0	0	1,521,960	0	1,521,960
Total Direct Program Costs	2,564,249	4,929,405	6,623,069	808,800	3,172,293	3,239,480	2,472,637	604,661	1,208,938	10,987,567	29,338,000	65,949,100

* Professional Services Contracts: Contracts with individuals or vendors for time limited services that support program work (e.g. consultants, web design, etc.)

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



To: First 5 Alameda County Executive Committee

From: Kristin Spanos, Chief Executive Officer
Cally Martin, Deputy Chief Executive Officer
Nick Zhou, Chief Financial Officer
Maria Canteros, Senior Administrator, Finance

Date: April 18, 2024

Subject: Fiscal Year 2024-2034 Long Range Financial Plan – First Reading

ACTION REQUESTED

To review the following Fiscal Year (FY) 2024-2034 Long Range Financial Plan.

BACKGROUND

First 5 Alameda County has adopted a Long-Range Financial Plan (LRFP) annually since March 2004. Adoption of a Long-Range Financial Plan has been a statutory requirement of all First 5 Commissions since 2006-07. The current LRFP was formally approved by the Commission in June 2023. An update to the LRFP is included with underlying assumptions as well as historical background information. The update reflects the Proposed Budget for FY 2024-25 and the most recent Tobacco Tax revenue forecast from the California Department of Finance and First 5 California as of January 2024.

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, 2023 was \$27.7 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 Prop 10 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 Fiscal Year 2024-2034 Long Range Financial Plan and to give feedback for clarification or changes in preparation for the Commission’s second and final reading on June 20, 2024.

Submitted by:

DocuSigned by:
Nick Zhou
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Nick Zhou
Chief Financial Officer

Approved by:

DocuSigned by:
Kristin Spanos
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Kristin Spanos
Chief Executive Officer

DocuSigned by:
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Maria Canteros
Senior Administrator, Finance

Reviewed by:

DocuSigned by:
Cally Martin
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Cally Martin
Deputy 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 2023-24 figures reflect the revised budget approved in February 2024. For FY 2023-24 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 January 2024 through the period ending FY 2027-28. These consider the effects of the federal tobacco tax, other declines in state tobacco tax revenues due to newer legislation (SBX2-7 Smoking Age Increase to 21 effective June 2016, Proposition 56 \$2 dollar tobacco tax increase effective April 2017, Proposition 31 Flavored Tobacco Ban), Prop 99, backfill amounts and other factors. The projections listed below cover FY 2023-2034.

Historically, the DoF projections have been on the conservative side; actual revenues received being equal to or higher than projections with the exception of FY 2018-19 and FY 2021-22. We anticipate receiving updated revenue projections from the DoF and First 5 CA periodically and we will continue to forecast revenue conservatively.

<u>Fiscal Year</u>	<u>DoF Projection</u>	<u>Actual Revenue</u>
2010-2011	\$14.0m	\$14.3m
2011-2012	\$13.8m	\$14.5m
2012-2013	\$13.3m	\$13.6m
2013-2014	\$13.2m	\$13.2m
2014-2015	\$13.0m	\$13.3m
2015-2016	\$12.1m	\$13.2m
2016-2017	\$11.6m	\$12.6m
2017-2018	\$10.6m	\$11.3m
2018-2019	\$12.8m	\$12.1m
2019-2020	\$11.5m	\$12.6m
2020-2021	\$11.9m	\$13.0m
2021-2022	\$12.9m	\$12.5m
2022-2023	\$11.0m	\$11.1m
2023-2024	\$10.0m	
2024-2025	\$8.8m	
2025-2026	\$7.8m	
2026-2027	\$7.4m	
2027-2028	\$7.2m	
2028-2029	\$7.0m	
2029-2030	\$6.8m	
2030-2031	\$6.6m	
2031-2032	\$6.4m	
2032-2033	\$6.2m	
2033-2034	\$6.0m	

AGENDA ITEM 8

Based on the above DoF projection for FY 2023-24, the Long-Range Financial Plan assumes a 9.1% decrease in tax revenue from the prior year. Beyond FY 2024-25, revenues are expected to continue decreasing at rates between approximately 12% to 3% per year through 2034. If actual revenues show a significant change during the year, the projection for the current year will be brought to the Commission at mid-year, along with other budget modification proposals.

- **Measure AA Tax Revenue** – Funding from the City of Oakland Measure AA parcel tax for the Oakland Children’s Initiative Early Education Fund activities (\$32,519,042)
- **Interagency Income -**
 - Funding from First 5 California via First 5 San Benito (IMPACT Legacy and IMPACT Local Regional T/TA Hub) – to support local QRIS work including rating and quality improvement in child care settings (\$695,486)
 - Funding from First 5 San Francisco via First 5 San Benito – for Home Visiting Regional Technical Assistance program activities (\$170,171)
 - Funding from AC Health Care Services Agency, AC Social Services Agency, Probation Department, and Child Support Services to support Fathers Corps work (\$410,000)
 - AC Public Health Department funding for ECChange database hosting and maintenance (\$141,409)
 - Funding from AC Office of Education Block Grant 10 to support Quality Rating Improvement Systems (QRIS) work (projected award \$614,934)
 - 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 (\$725,000)
 - Funding from AC Social Services Agency to support the Centralized Eligibility List (CEL) Application Project (\$421,684)
- **State Grants -**
 - Funding from the California Department of Social Services QCC QRIS Block Grant (projected award \$532,010)
- **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 (\$1,594,344)
 - Funding from the Stupski Foundation through December 2024 to support HMG’s Pediatric Care Coordination activities (\$106,000)
 - Funding from Sunlight Giving for general operating support (\$440,000)
 - Funding from the Child Family & Community Services (via CA Children and Families Foundation) to fill gaps in Alameda County’s early childhood system (\$272,500)
 - Funding from the Hellman Foundation (via CA Children and Families Foundation) to identify and implement a countywide Kindergarten Readiness Community Study tool (\$100,000)

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

- **Miscellaneous Income** – None

AGENDA ITEM 8

- **Fiscal Leveraging** – Since FY 2009-10, fiscal leveraging revenues consist entirely of federal reimbursements under the Medi-Cal Administrative Activities (MAA) program. Gross MAA revenues for the prior fiscal year are usually received 8-12 months in arrears. As a result of the perpetual time study methodology introduced by the granting agency in FY 2013-14 and the inclusion of actual client count for invoicing, revenues are expected to average approximately \$2.5 million. For the purposes of this LRF, it is assumed that programs eligible for MAA claiming will be reimbursed at this level in the FY 2024-25 budget year and conservatively continuing between \$2.5 million to \$1.8 million through FY 2032-33.

EXPENSES

FY 2024-25 expenditure figures are from the current proposed budget process. For FY 2025-34, 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

First 5 has used the Sustainability Fund to support a steady state to maintain Agency capacity as we anticipate the continued build-out of the early childhood system and to close the gap between program costs and declining Prop 10 revenue. Therefore, \$15.9 million of Sustainability Funds is budgeted to close the gap between revenue and projected expenses. This figure is consistent with the proposed FY 2024-34 Long Range Financial Plan.

Additionally, since the passage of Measure C, First 5 has temporarily loaned funds from the Sustainability Fund to help the organization prepare for implementation of Measure C. When the loan is repaid, the funds will be restored to the Sustainability Fund.

MINIMUM FUND BALANCE REQUIREMENTS

The Sustainability Fund cannot be spent down to zero; some funds must be maintained as an operating reserve to cover ongoing cash flow requirements to act as a buffer if there are delays in receiving state tobacco tax revenues or other revenues. The recommendation is to maintain an amount in the Fund Balance, at a minimum, equal to six months of Prop 10 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 ages 0-5, even as the tobacco tax revenue declined.

The Sustainability Fund is projected to be approximately \$26.3 million at the end of the current 2023-24 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

AGENDA ITEM 8

were intentionally budgeted over several years (2001-2004). Finally, budgeted funds that remained unspent were directed by the Commission to be added to the Sustainability Fund, rather than be rolled-over to the subsequent year's budget (2001-present). It is important to note however that, Sustainability Funds have been budgeted for program use since 2005-06, which means that expenses have been projected higher than revenues in each of those years, but budget savings in those years made it unnecessary to draw from the Fund. These changes have resulted in draws periodically from the Sustainability Fund only since FY 2009-10.

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

<u>Draw down from Sustainability for Operations (\$millions)</u>		
<u>Fiscal Year</u>	<u>Planned draw down</u>	<u>Actual amount drawn</u>
<u>FY 2009-2013 Strategic Plan</u>		
2009-10	\$6.9m	\$3.3m
2010-11	\$9.3m	\$6.7m ¹
2011-12	\$4.1m	\$0.8m
2012-13	\$9.0m	\$5.3m ²
<u>FY 2013-17 Strategic Plan</u>		
2013-14	\$1.7m	\$0.0
2014-15	\$2.3m	\$1.5m
2015-16	\$2.3m	\$1.2m
2016-17	\$4.9m	\$0.0
<u>FY 2017-22 Strategic Plan</u>		
2017-18	\$3.5m	\$0.0
2018-19	\$2.0m	\$0.0
2019-20	\$3.7m	\$0.0
2020-21	\$6.1m	\$1.4m
2021-22	\$4.1m	\$2.0m
<u>FY 2022-27 Strategic Plan</u>		
2022-23	\$5.0m	\$2.3m
2023-24	\$5.9m	

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

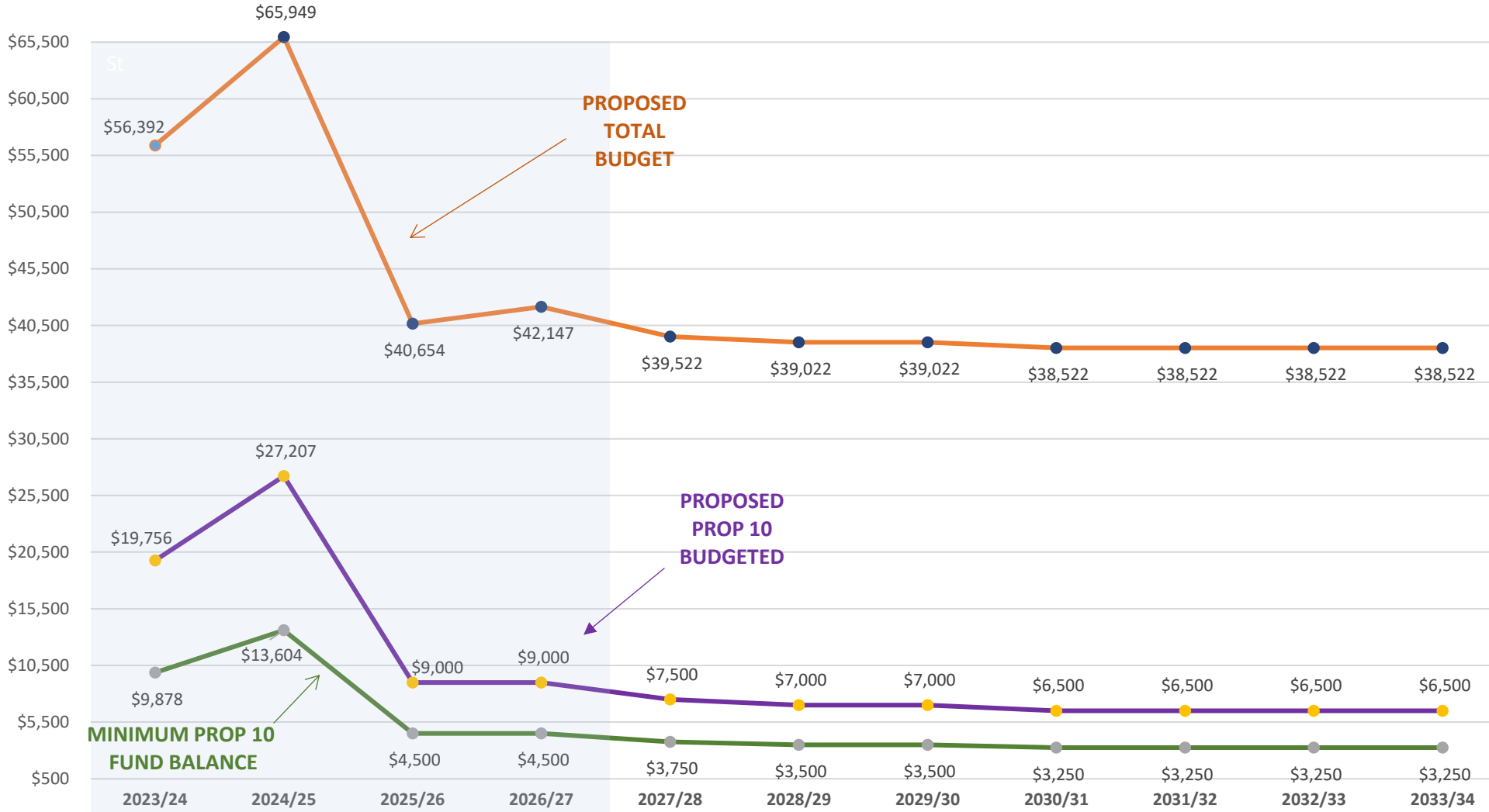
² Purchase of office building at 1115 Atlantic Ave., Alameda in April 2013.

Dollars in Thousands

	2022 - 2027 Strategic Plan					2027-2032 Strategic Plan TBD					2032-2037 Strategic Plan TBD	
	Actual	Projected	Proposed	Projections		2027/28	2028/29	Projections		Projections		
	2022/23	Rev & Exp 2023/24	Budget 2024/25	2025/26	2026/27			2029/30	2030/31	2031/32	2032/33	2033/34
Beginning Fund Balance	\$ 30,060	\$ 27,755	\$ 26,336	\$ 10,397	\$ 9,230	\$ 7,642	\$ 7,332	\$ 7,306	\$ 7,070	\$ 7,132	\$ 6,997	\$ 6,671
REVENUES		-13.5%	-8.4%	-10.7%	-5.4%							
Proposition 10 Tobacco Tax	\$ 11,067	\$ 9,577	\$ 8,768	\$ 7,833	\$ 7,412	\$ 7,190	\$ 6,974	\$ 6,765	\$ 6,562	\$ 6,365	\$ 6,174	\$ 5,989
City of Oakland Measure AA Tax	\$ 3,667	\$ 24,513	\$ 32,519	\$ 30,529	\$ 32,022	\$ 32,022	\$ 32,022	\$ 32,022	\$ 32,022	\$ 32,022	\$ 32,022	\$ 32,022
Other First 5 Revenue	\$ 1,483	\$ 1,481	\$ 866	\$ -	\$ -							
- First 5 California (IMPACT 2020)	\$ 1,225	\$ 1,311	\$ -	\$ -	\$ -							
- First 5 San Francisco/Childrens Council of SF (T/TA Hub)	\$ 258	\$ -	\$ -	\$ -	\$ -							
- First 5 San Benito (IMPACT Legacy & Hub)			\$ 696									
- First 5 San Benito (Home Visiting Regional TA)		\$ 170	\$ 170									
Interagency Income - County	\$ 2,398	\$ 3,523	\$ 2,313	\$ 1,125	\$ 1,125							
- ACHCSA (Fathers Corps)	\$ 335	\$ 465	\$ 410	\$ 400	\$ 400							
- ACPHD (Data Systems Hosting and Maintenance)	\$ 134	\$ 141	\$ 141									
- ACPHD (Home Visiting/PHOC)	\$ 140	\$ 140	\$ -									
- AC Office of Educ. (QRIS Block Grant)	\$ 447	\$ 615	\$ 615									
- AC Office of Educ. (Inclusive Early Learning)	\$ 80	\$ 27	\$ -									
- City of Berkeley (Fathers Corp)	\$ -	\$ 25	\$ -									
Interagency Income - Federal Pass-through												
- ACPHD HMG Linkage Line	\$ 431	\$ 480	\$ -									
- ACHCDA (Unincorporated Needs Assessment)	\$ 20	\$ 30	\$ -									
- ACSSA (Navigation, Workforce Pilot, Comp Child Dev)	\$ 683	\$ 718	\$ 725	\$ 725	\$ 725							
- ACSSA (CEL Application Project)	\$ 128	\$ 882	\$ 422									
State Grants - Federal Pass-through	\$ 552	\$ 515	\$ 532	\$ -	\$ -							
- CA Dept. of Social Services (QCC QRIS Block Grant)	\$ 497	\$ 515	\$ 532									
- CA Dept. of Education (Preschool Development Grant)	\$ 55	\$ -	\$ -									
Other Grants (Private, Foundation or Other)	\$ 3,009	\$ 3,719	\$ 2,513	\$ -	\$ -							
- Alameda Alliance for Health	\$ 1,453	\$ 1,594	\$ 1,594									
- Sunlight Giving	\$ 270	\$ 525	\$ 440									
- Stupski Foundation	\$ 47	\$ 215	\$ 106									
- CA Wellness Foundation	\$ 20	\$ 20	\$ -									
- Heising-Simons Foundation	\$ -	\$ 20	\$ -									
- Kresge Foundation	\$ -	\$ 70	\$ -									
- Hellman Foundation	\$ -	\$ 100	\$ 100									
- Child Family & Community Services	\$ 1,199	\$ 1,073	\$ 273									
- Tipping Point	\$ 20	\$ -	\$ -									
- Kaiser Permanente Hospitals Foundation	\$ -	\$ 102	\$ -									
Miscellaneous Income	\$ 15	\$ 61	\$ -									
Fiscal Leveraging (MAA)	\$ 2,560	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 1,850	\$ 1,850	\$ 1,850	\$ 1,850	\$ 1,850	\$ 1,850	\$ 1,850
Investment Income	\$ 102	\$ 324	\$ -	\$ 109	\$ 97	\$ 80	\$ 77	\$ 77	\$ 74	\$ 75	\$ 73	\$ 70
TOTAL REVENUES	\$ 24,853	\$ 46,213	\$ 50,011	\$ 42,096	\$ 43,156	\$ 41,142	\$ 40,923	\$ 40,713	\$ 40,508	\$ 40,312	\$ 40,119	\$ 39,931
TOTAL EXPENSES	\$ 25,961	\$ 56,392	\$ 65,949	\$ 40,654	\$ 42,147	\$ 39,522	\$ 39,022	\$ 39,022	\$ 38,522	\$ 38,522	\$ 38,522	\$ 38,522
TOTAL PROP 10 EXPENSES	\$ 16,549	\$ 19,756	\$ 27,207	\$ 9,000	\$ 9,000	\$ 7,500	\$ 7,000	\$ 7,000	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500
CASHFLOW												
Total Disbursements	\$ 25,961	\$ 56,392	\$ 65,949	\$ 40,654	\$ 42,147	\$ 39,522	\$ 39,022	\$ 39,022	\$ 38,522	\$ 38,522	\$ 38,522	\$ 38,522
(Shortfall)/Surplus Revenue over Expenses (Use of Sustainability Fund)	\$ (2,305)	\$ (1,419)	\$ (15,939)	\$ (1,167)	\$ (1,588)	\$ (310)	\$ (26)	\$ (235)	\$ 62	\$ (135)	\$ (326)	\$ (511)
Ending Fund Balance	\$ 27,755	\$ 26,336	\$ 10,397	\$ 9,230	\$ 7,642	\$ 7,332	\$ 7,306	\$ 7,070	\$ 7,132	\$ 6,997	\$ 6,671	\$ 6,160
MINIMUM PROP 10 FUND BALANCE REQUIRED (50% OR 6 Months of Prop 10 Budgeted Expenses)	\$ 8,275	\$ 9,878	\$ 13,604	\$ 4,500	\$ 4,500	\$ 3,750	\$ 3,500	\$ 3,500	\$ 3,250	\$ 3,250	\$ 3,250	\$ 3,250

**LONG RANGE FINANCIAL PLAN FY 2024-2034
BUDGET & FUND BALANCE IN MILLIONS**

STRATEGIC PLAN (2022-27)





Staff Announcements

April 25, 2024



GENERAL AGENCY ANNOUNCEMENTS



Facilities Intermediary Selected

- **Low Income Investment Fund (LIIF)** selected as the contractor for the Early Childhood Facilities Fund and Technical Assistance RFP. Contract negotiations are in progress.



Technology Development Liaison RFP

- Released an RFP for a Technology Development Liaison that closed on April 22nd. The liaison will support the procurement process for the developer(s) of a centralized eligibility and enrollment system (Child Care Pathways) and a data warehouse.



Class and Compensation Study in Progress

- Gallagher and Associates is reviewing the agency's job duties and classifications and will complete a compensation review to support staff retention and recruitment.

PLACE

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

PLACE



Tulsa Early Childhood Convening

- First 5 and our Oakland early childhood partners – Oakland Thrives Leadership Council, Oakland Starting Smart and Strong, and BANANAS – were invited to participate in the **George Kaiser Family Foundation – Birth through Eight Strategy for Tulsa (BEST) Early Childhood Convening** in Tulsa, Oklahoma, on April 3-4.



Oakland Children's Initiative

- **FY 2024-2025 Program Plan and Budget** finalized and submitted to Accountability Officer for review and approval. We developed an executive summary and overview memo to capture the due diligence and fiscal analysis conducted by First 5 in the plan's development.
- **March Oversight Commission Presentation.** The presentation, led by the City of Oakland OCI Accountability Officer, focused on Results Based Accountability (RBA) annual reporting and an introduction to the current complexity and fragmentation of the early care and education system in Oakland and Alameda County.

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



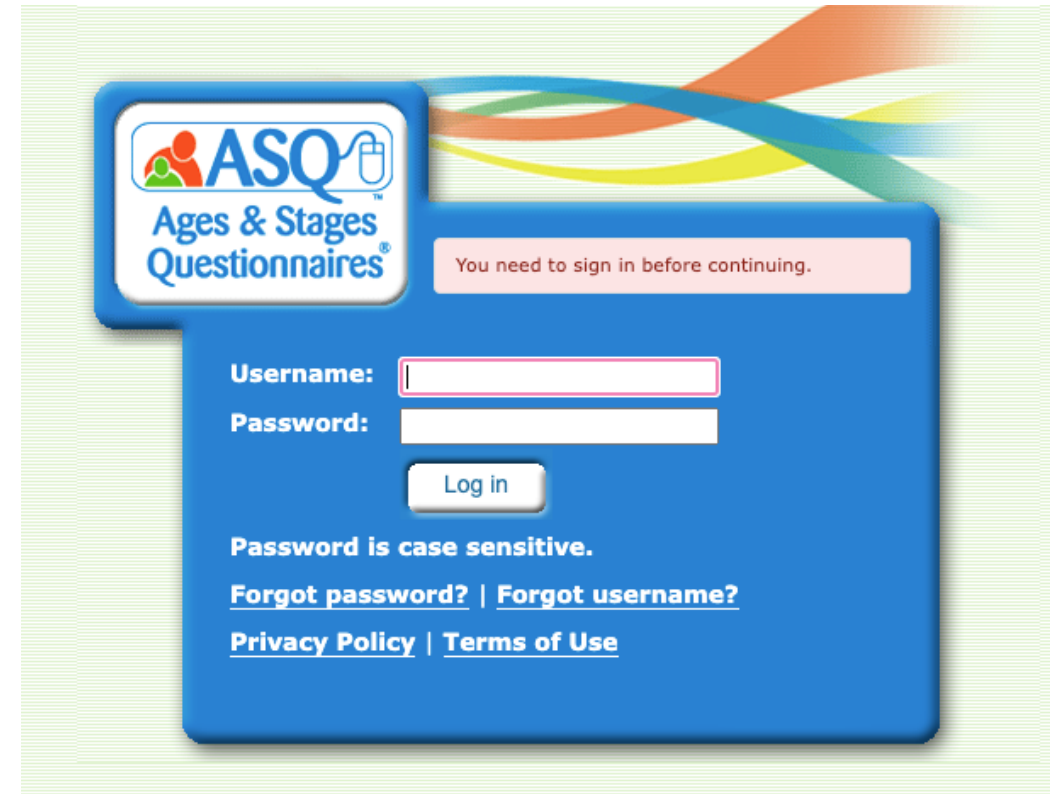
Ages & Stages Questionnaires® (ASQ®) Online Screening Tool with Federally Qualified Health Centers (FQHCs)

- As part of a Pediatric Quality Improvement project through Help Me Grow, Pediatric Care and Coordination staff are working closely with our FQHC partners – AXIS, West Oakland Health Center and LifeLong’s West Berkeley Clinic – to **pilot the ASQ in OCHIN EPIC**, the FQHCs’ electronic health record system.



Whole Child Equity Partnership Funder Briefing

- Participated in, at the invitation of the First 5 Association, a Whole Child Equity Partnership Funder Briefing at The California Endowment in Oakland on March 27.



PEOPLE



Oakland Feather River Camp Turns 100

- Oakland Feather River Camp celebrated its 100 anniversary last month.
- Last year, First 5 **partnered with Feather River Camp to fund free Family Camp experiences for parents/caregivers, and their children** to enjoy time outdoors with each other and with other community members.
- **More than 100 families** participating in Neighborhoods Ready for School (NRFS), Parent Partnership, and Fatherhood programming will have access to the Family Camp experiences this summer.



SCAN ME

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



Alameda County Youth & Family Health and Social Services Policy Meeting

- The Government Affairs & Policy (GAP) team recently joined Alameda County Social Services Agency (SSA), Alameda County Health Care Services Agency (HCSA), and Alameda Alliance for Health (AAH) policy staff to **relaunch a county policy table** that allows the four agencies to align and coordinate on policy issues and policy positions that impact them and the communities and families we collectively serve through our public safety-net systems.



Interagency Leadership Team (ILT) Meeting

- First 5 is participating in the Children and Youth System of Care ILT convened by Alameda County Superintendent of Schools Alysse Castro. The table aims to set the stage for coordinated action to support children, youth, and families that are touched by the child welfare system in our county in accordance with AB 2083.





Preparing for the Kindergarten Readiness Community Study

First 5 Commission Meeting, April 25, 2024

Purpose and Intent of First 5 Commissions

As outlined in section 130100 of the **Proposition 10** statute:

(a) It is the intent of this act to **facilitate the creation and implementation of an *integrated, comprehensive, and collaborative system* of information and services to enhance optimal early childhood development and to ensure that children are ready to enter school**. This system should function as a network that promotes accessibility to all information and services from any entry point into the system.

It is further the intent of this act to emphasize local decision making, to provide for greater local flexibility in designing delivery systems, and to eliminate duplicate administrative systems.

OUR NORTH STAR

Our “North Star,” the population result that guides our work, is that all **Children Are Ready for Kindergarten**; our work is to ensure that policies, systems, communities, and schools support families and children by creating the **conditions** that position all for success.

OUR EQUITY STATEMENT

First 5 Alameda County is committed to being an equity-centered, anti-racist, and anti-classist organization. We recognize that we operate in a racialized economic system characterized by extractive and exploitative labor practices and public policies perpetuating long-standing disparate life outcomes. To this end, we use anti-racist and equity-based practices to invest in and support children, families, and neighborhoods.

Our [Place, People, Policy framework](#) intentionally prioritizes our investments in communities that have experienced historic and systemic racism and disinvestment.

As a part of this commitment, we use our resources to redress (to set right) these injustices by:

- **Celebrating Black, Indigenous, and People of Color (BIPOC)** cultures and honoring their assets, values, and needs by ensuring investments, programs, data, and policy work is directed by and reflects the richness and needs of these communities.
- **Prioritizing the needs of low-to-moderate-income families** and neighborhoods with historical disinvestment.
- **Addressing root causes** through the administration of public funds, advocacy, and operationalization of public policy.
- **Interrupting inequities** that impact the conditions needed for kindergarten readiness.
- Ensuring that our investments, policies, practices, and Agency culture are **aligned with our equity principles** [[hyperlink to principles](#)].

We acknowledge that our unconscious and conscious bias impacts our practices. Therefore, we are committed to deepening our understanding of how power, wealth, and opportunity imbalances appear in policies, communities, organizations, and interpersonal relationships. We can only do this as lifelong learners with a growth mindset focused on transformative change.

We commit to continuous improvement and to hold ourselves accountable to operationalize this statement and our principles.

FIRST 5'S EQUITY PRINCIPLES

Developed by Policy Link and Race Forward

1 - UNDERSTAND THE PAST, THE PRESENT, AND YOUR INFLUENCE

Understand and acknowledge the federal, state, and local* government's role in impacting society at a wide scale to this day—whether positive, negative, or seemingly neutral.

2 - CONSISTENTLY ADDRESS ROOT DRIVERS

Target the fundamental root drivers of gaps and inequities and prioritize the people who have traditionally been excluded, recognizing that these investments will benefit all.

3 - WORK IN PARTNERSHIP WITH IMPACT IN RELEVANT COMMUNITIES

Leverage the expertise and experiences of all to promote equity, particularly leaders of color and their communities.

4 - ADOPT A CONTINUOUS LEARNING AND ADAPTIVE APPROACH

Acknowledge that the scale and complexity of reaching racial equity will require ongoing commitment, action, and adjustments to drive meaningful change and strengthen our democracy.

5 - BE TRANSPARENT AND ACCOUNTABLE

Build public trust and accountability in the long-term commitment for racial equity through data-driven decision-making and outcome tracking.

*Edited from the original “Five guiding principles for federal action on racial equity” developed by PolicyLink. Original source: 2021 PolicyLink report, [For Love of Country: A Path for the Federal Government to Advance Racial Equity](#), page 36.

PolicyLink

race forward
THE CENTER FOR RACIAL JUSTICE INNOVATION

Evolution of the Kindergarten Readiness Studies in Alameda County

2008

- 1st K- Readiness Study begins with 3 districts

2013

- 1st countywide assessment (13 districts and Alameda County Office of Education)

2017

- Frame shift from individual assessment to structural conditions
- Place-based analysis
- 1st study to be representative of the county
- 1st teacher survey

2019

- Continued frame shift to readiness of schools and communities
- Deeper place-based lens
- Caregivers, educators, & community provided input on results

2021

- Participatory process with Research Advisory Group
- Surveys of caregivers, Early Care and Education (ECE) professionals, Transitional Kinder (TK)/Kinder teachers
- Examined impacts of COVID

2023

- School districts engaged in a participatory process and selected the Early Development Instrument (EDI) as the policy-focused tool for future K-Readiness studies.

Converging on a Common Kindergarten Readiness Tool

Kindergarten Observation Form (KOF)

Studies sponsored by First 5 since 2008

Teachers from the following districts have participated in one or more bi-annual studies:

- Alameda COE
- Alameda
- Albany
- Berkeley
- Castro Valley
- Dublin
- Emery
- Fremont
- Hayward
- Livermore Valley
- New Haven
- Newark
- Oakland
- Pleasanton
- San Leandro
- San Lorenzo

Early Development Instrument (EDI)

Used by Oakland Unified School District since 2016

OUSD has administered the EDI study every 3 years

Measure C \$

is anticipated to bring ~\$150M annually for young children in Alameda County

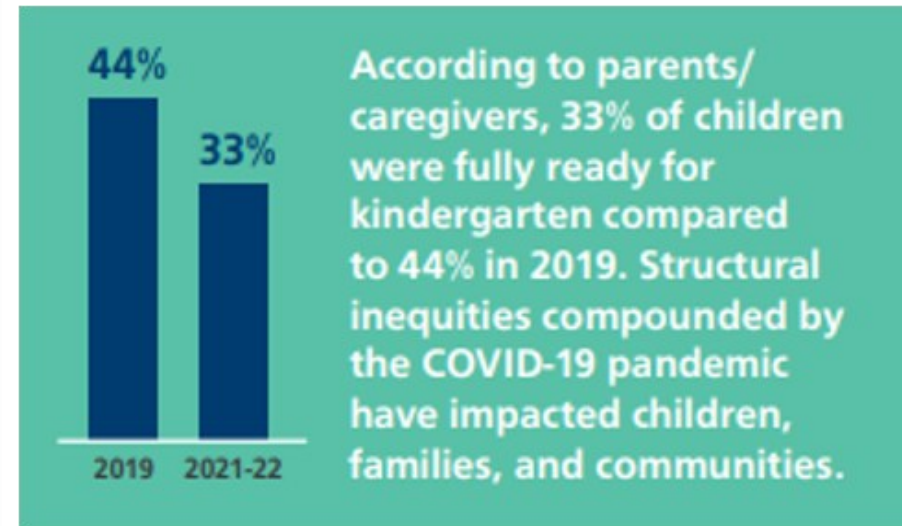
Measure C has **kindergarten readiness** as one of its stated goals and includes an evaluation requirement.

First 5 as the named administrator is seeking **agreement on one common countywide policy tool** to measure the impacts of local investments

Kindergarten-Ready Systems



4 in 5 children who are
Not Ready for Kindergarten are
still Not Proficient in third grade.



“Connection to community resources and family income were significantly correlated with higher readiness. This work shifts responsibility frameworks from the child & family to the system.”

-First 5 Alameda County

But WHY?



The Kindergarten Readiness Community Study will examine the factors that contribute to **children's wellbeing and school readiness.**



A **policy-oriented tool** is intended to foster stronger partnerships and shared accountability of systems across Alameda County.



The data will not be reported at the teacher level, as it is **not a performance-based tool to guide instruction.**

Meeting Arc and Beyond

October 2023
Tool selection criteria

November 2023
Kindergarten
Observation Form
(KOF) tool exploration
and communication

January 2024
Early Development
Instrument (EDI) tool
exploration and
communication

February 2024
Tool adoption,
implementation
planning, next steps
for engagement

August 2023
Kindergarten
readiness study
purpose, visioning,
establishing
principles

Academic Year 2025-26
Administration and
data informs
investments and
programming

March 2024 - August 2025
Implementation plan



UCLA

Data Informed Futures

Monitoring kindergarten readiness within the context of neighborhood conditions to understand need and track progress

Lisa Stanley, Project Director

Leila Espinosa, Knowledge to Action Director



The Center for
Healthier Children,
Families & Communities

Building a future where all children thrive.



Data
Informed
Futures

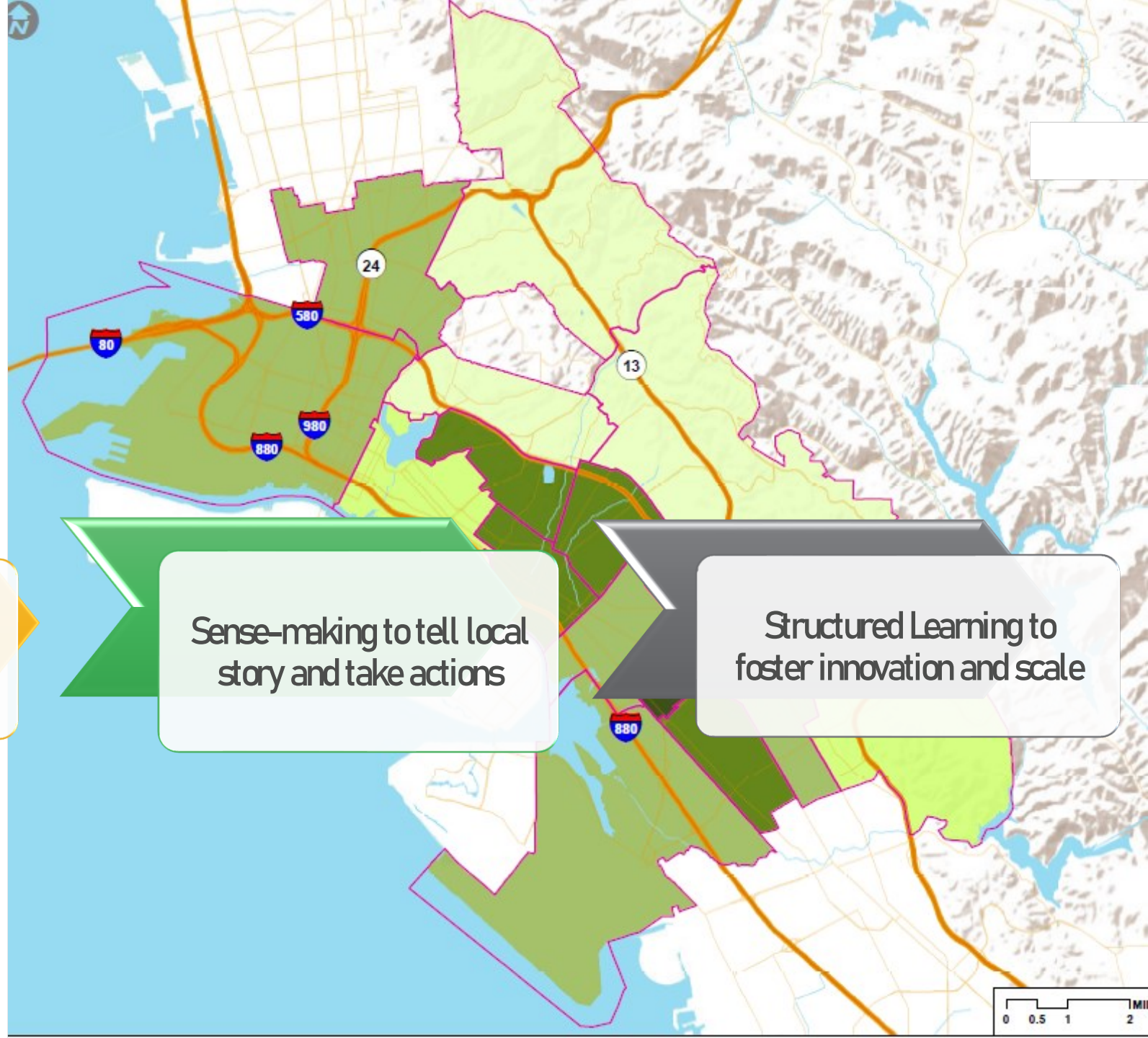
Knowledge and insights
to transform children's lives.

Measurement & Learning System Approach

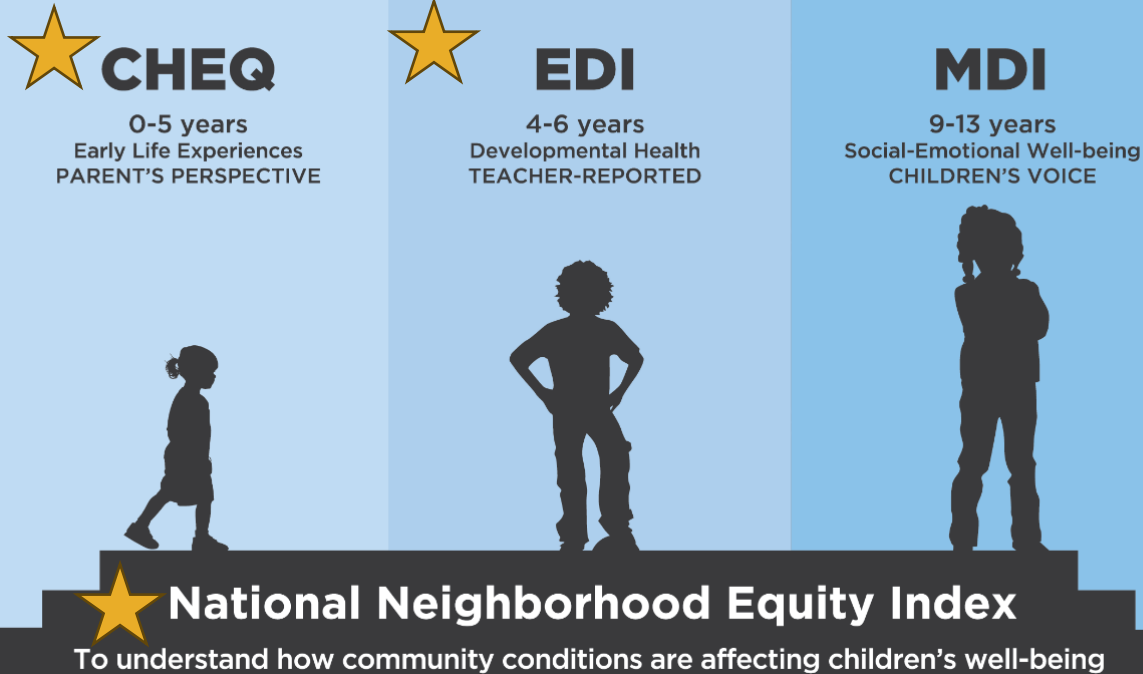
Data for understanding strengths and needs

Sense-making to tell local story and take actions

Structured Learning to foster innovation and scale



Components of Measurement System



3 Surveys on wellbeing & 1 metric of community context

Early Development Instrument (EDI)

- Kindergarten teachers report on developmental outcomes, 4-6-year-olds.

Childhood Experiences Questionnaire (CHEQ)

- Parent-reported at kindergarten entry about children's early experiences 0-5 years.

Middle Years Development Instrument (MDI)

- Student self-report on well-being, 4th to 8th grades.

National Neighborhood Equity Index (NNEI)

- A composite of 11 census indicators reflecting levels of socio-economic adversity at the neighborhood level.
- Overlaid onto survey data to understand how neighborhood conditions influence children's outcomes.

Note: UCLA partners with publishers at McMaster University and University of British Columbia on EDI, CHEQ, and MDI. The NNEI was developed by Dr. Charles Bruner and the Child and Family Policy Center.



Key Features of our Measurement and Learning System

- Life-course: from birth to age 14. Surveys linked longitudinally by student ID.
- Holistic: Considers the whole child and the developmental ecosystems in which children grow up matter.
- Population focus: Moves focus from the individual child or program to the entire community for a larger-scale impact.
- Reporting at small and large geographies to engage diverse stakeholders in collective process of change (parents/residents, service providers and countywide officials).



The EDI



Early Development Instrument

- Holistic, population measure of children's developmental outcomes and school readiness.
- EDI predicts ELA and Math Scores in 3rd and 5th grades
- Reflects how well 0-5 systems are supporting children
- Points to the structural conditions that can be improved through policy making
- Allows stakeholders to:
 - Look Back: To improve children's outcomes before they arrive at kindergarten.
 - Look forward: To understand incoming kindergarten cohort and support them as they progress thru school.





Nuts and Bolts of the EDI



What is the EDI?

Holistic wellbeing and school readiness in 5 key areas.



Who is it for?

Kindergarten teachers complete on all their students.



When is it completed?

At least 3 months after start of school (Nov-May). Done once every 2-3 years.



How is it completed?

30-minute training video
Teachers complete one EDI/student,
Uses on-line platform.
10-15 minutes per student



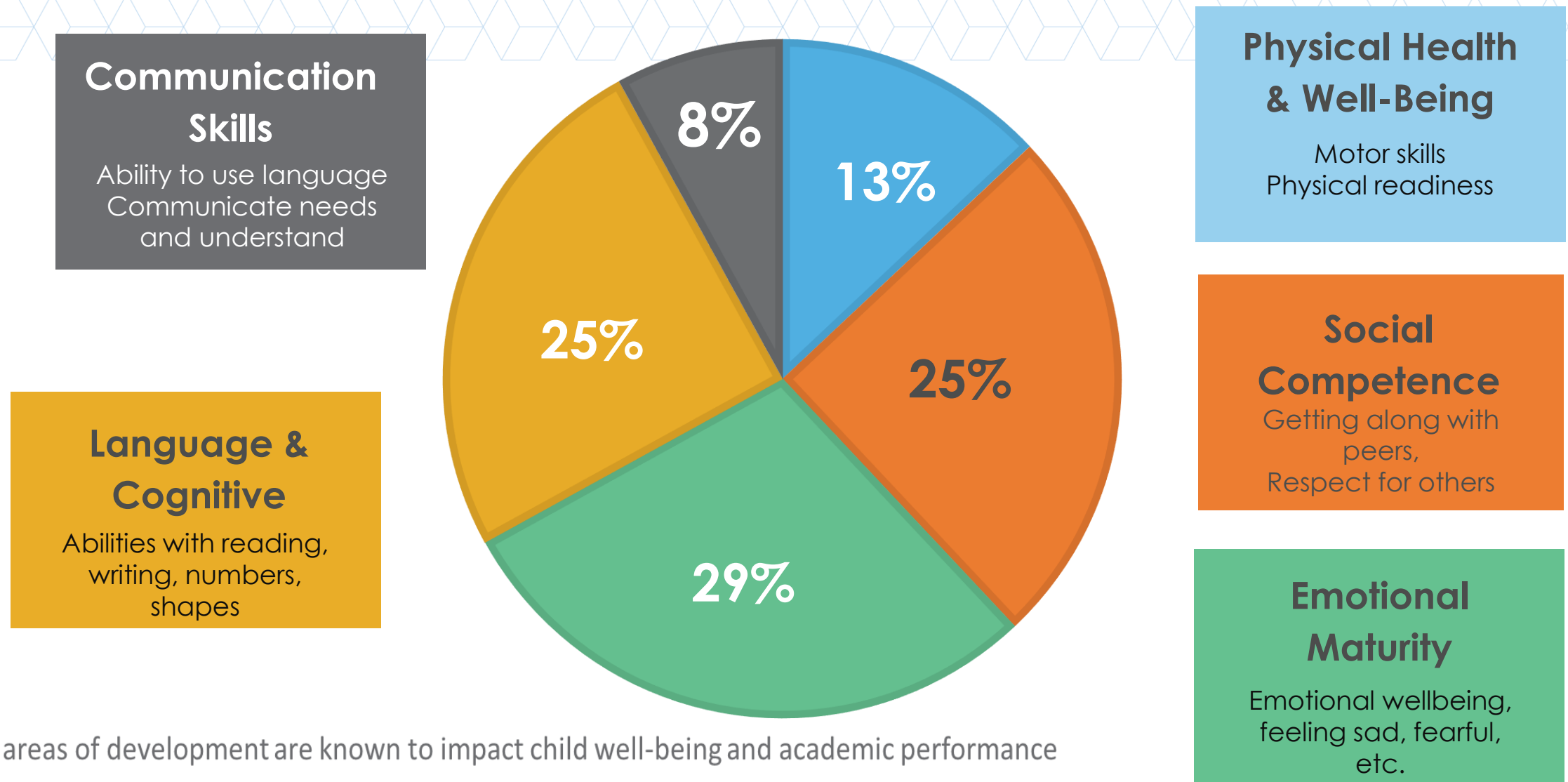
What doesn't it do?

Not reported at teacher level to assure them EDI is not used to assess performance. Not reported at child level because not designed to be used to screen, identify or diagnose.



5 EDI Developmental Domains

Distribution of survey items by domain



These 5 areas of development are known to impact child well-being and academic performance



16 Developmental Subdomains

- Physical readiness for school day
- Physical independence
- Gross and fine motor skills

Physical Health and Well-being



- Overall competence with peers
- Respect and responsibility
- Approaches to learning
- Readiness to explore new things

Social Competence



- Prosocial and helping behavior
- Anxious and fearful behavior
- Aggressive behavior
- Hyperactive and inattentive behavior

Emotional Maturity



- Basic literacy skills
- Interest in literacy/numeracy and memory
- Advanced literacy skills
- Basic numeracy skills

Language and Cognitive Development





CHEQ

Childhood Experiences Questionnaire (Parent Survey)

- Holistic population measure.
- Gives parent perspective about the types and quality of children's early experiences.
- Opportunity to provide teachers, schools, and communities deeper contextual information about children.
- Can be linked to EDI records completed by teachers to better understand the drivers in the EDI outcomes.

*Developed by the University of British Columbia,
Human Early Learning Partnership*



CHEQ 5 Domains and 11 Subdomains



Health & Well-Being



- Physical health & well-being
- Nutrition
- Sleep
- Motor skills & experiences



Language & Cognition



- Language development & cognition



Social & Emotional Well-Being



- Social & emotional experiences
- Screen-time



Early Learning & Care



- Experiences in non-parental care & preschool



Community & Context



- General activities
- Experiences in neighborhood
- Demographics



Cultural Sensitivity

CHEQ

- Developed with input from child development specialists, community partners, parents and caregivers.
- Available in 7 languages.
- Districts adopt strategies to support parents that need extra help completing the survey.

Strengths-Based Approach

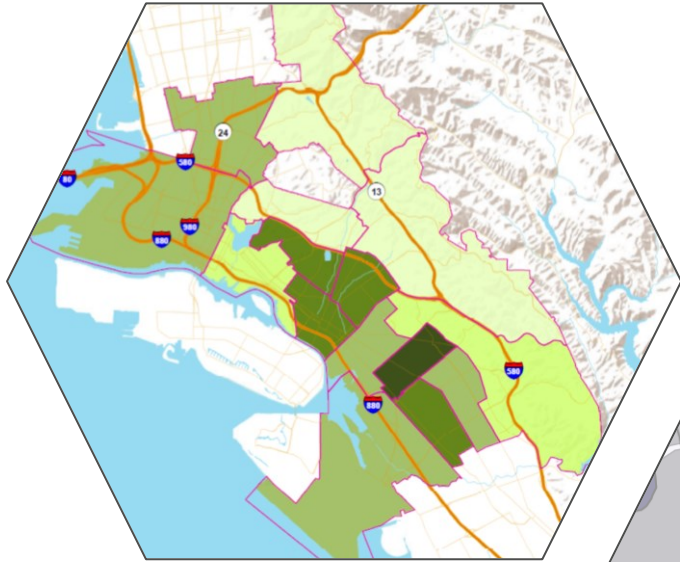
- Reflects how well systems are supporting children.
- Identifying neighborhood resiliency
- Engaging families in telling their story and taking leadership in solutions.

EDI

- 15 years research: Valid and reliable tool across diverse cultural & language groups.
- Appropriate for all children including those with disabilities.
- Teacher training addresses bias.
- Convened ELL Advisory Group
 - Critical look to make improvements.
 - Illuminated ELL strengths in data and strengths-based strategies.
 - Identified additional research needed, now underway.

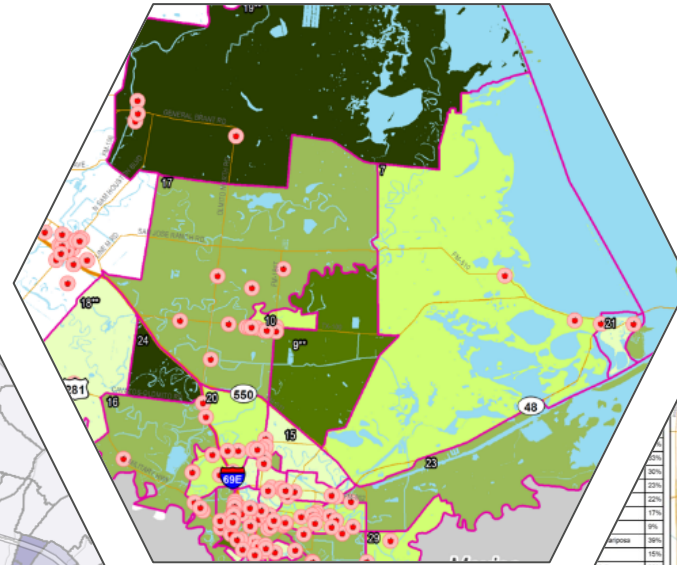


StoryMaps: Children's Well-being & Community Conditions



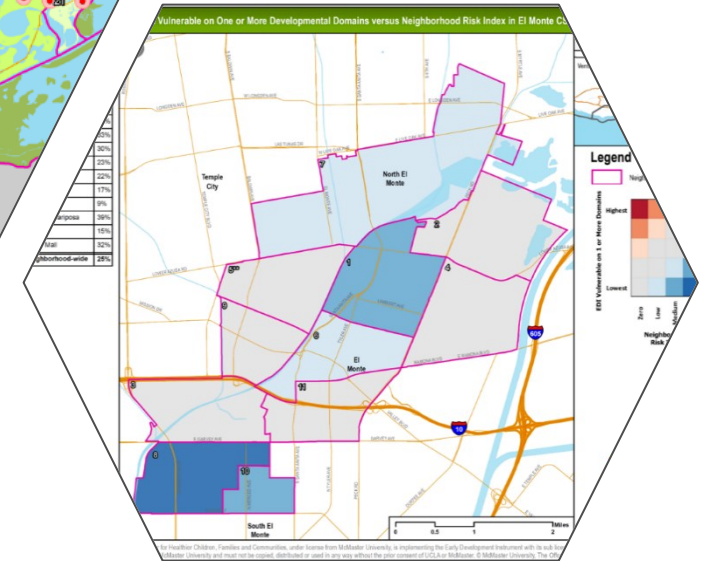
EDI
CHEQ
Maps

Indicator
Maps

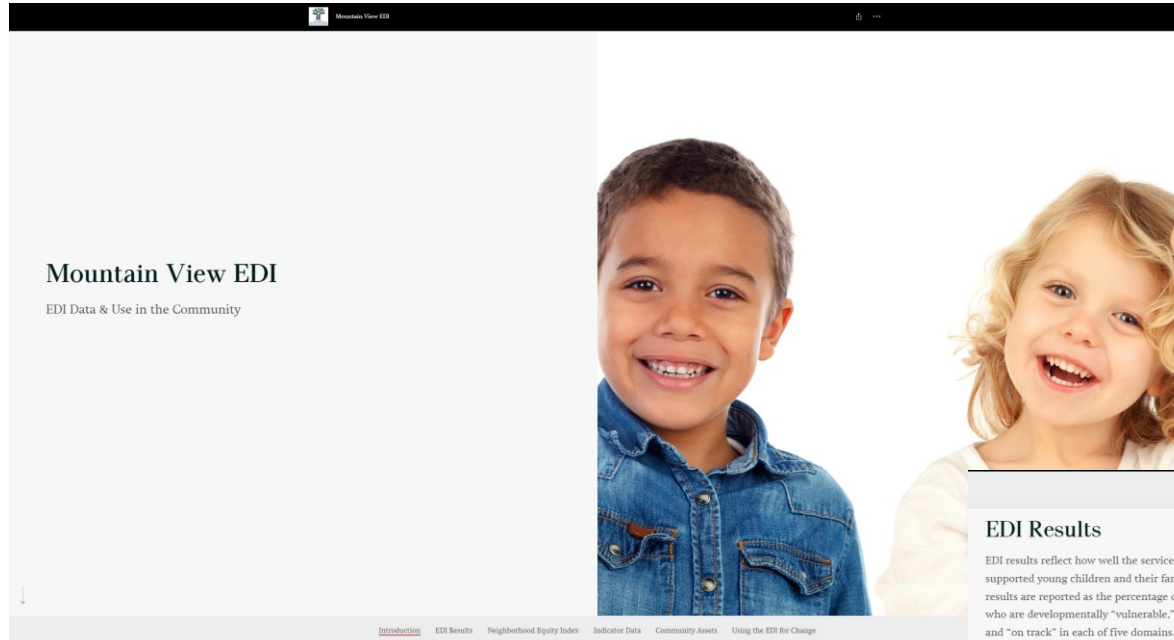


Asset/
Resource
Maps

Resilience
Maps



StoryMap



Allows partners to tell the story alongside interactive maps and other media (e.g. videos, photos, etc.)

[Introduction](#) [EDI Results](#) [Neighborhood Equity Index](#) [Indicator Data](#) [Community Assets](#) [Using the EDI for Change](#)

EDI Results

EDI results reflect how well the service system has supported young children and their families. EDI results are reported as the percentage of children who are developmentally "vulnerable," "at-risk," and "on track" in each of five domains. Children who score at or below the 10th percentile of the national EDI population are considered developmentally vulnerable. Children who score above the 10th percentile but at or below the 25th percentile are considered at-risk for becoming vulnerable, and those who score above the 25th percentile in each area are considered on track.

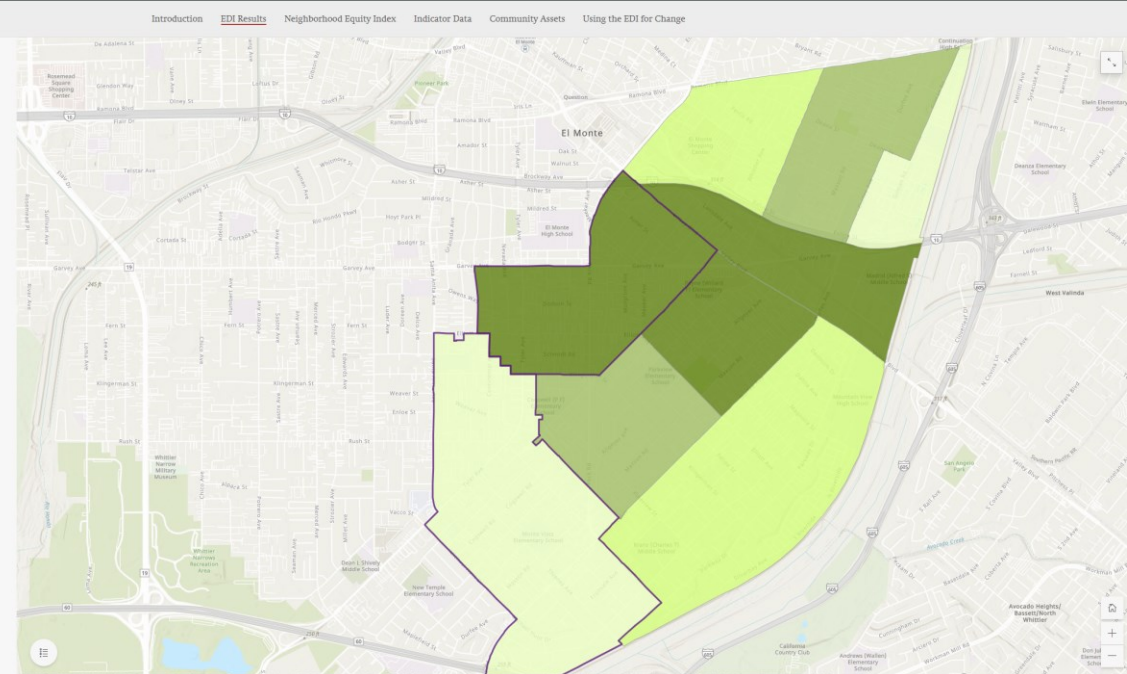


Children are considered "On Track" (orange), "At Risk" (purple), or "vulnerable" (red).

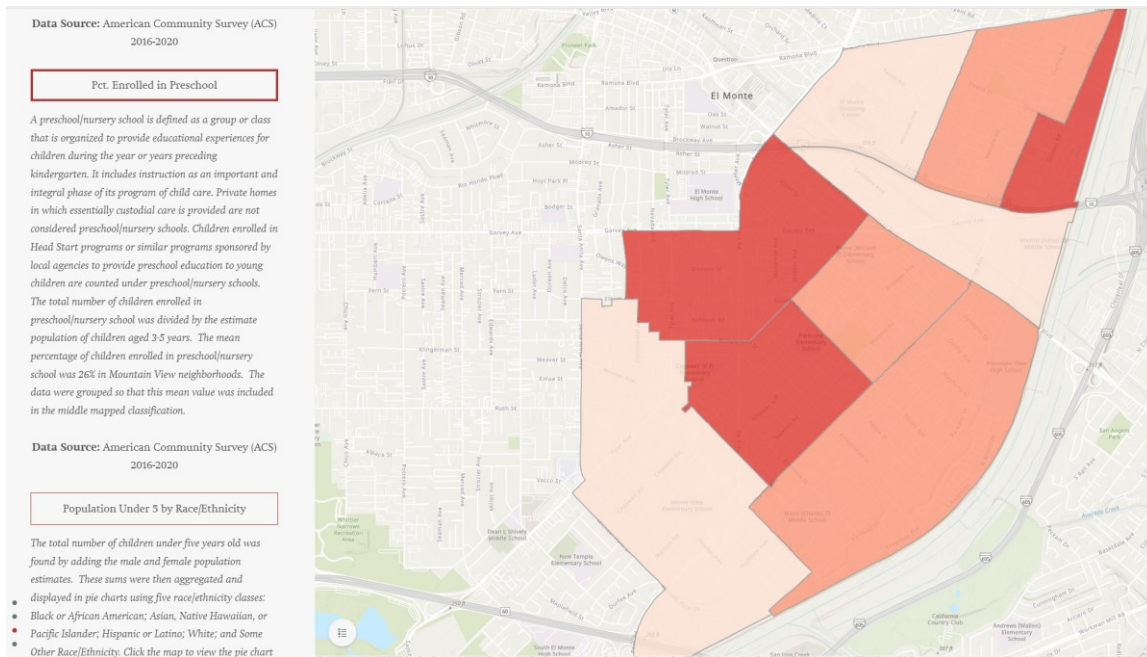
These maps show the EDI results for Mountain View. Use the buttons to turn on the data layers on the map to the right. More information on what each map displays is detailed below.

One or More Developmental Domains

This map shows the percentage of children vulnerable on one or more developmental

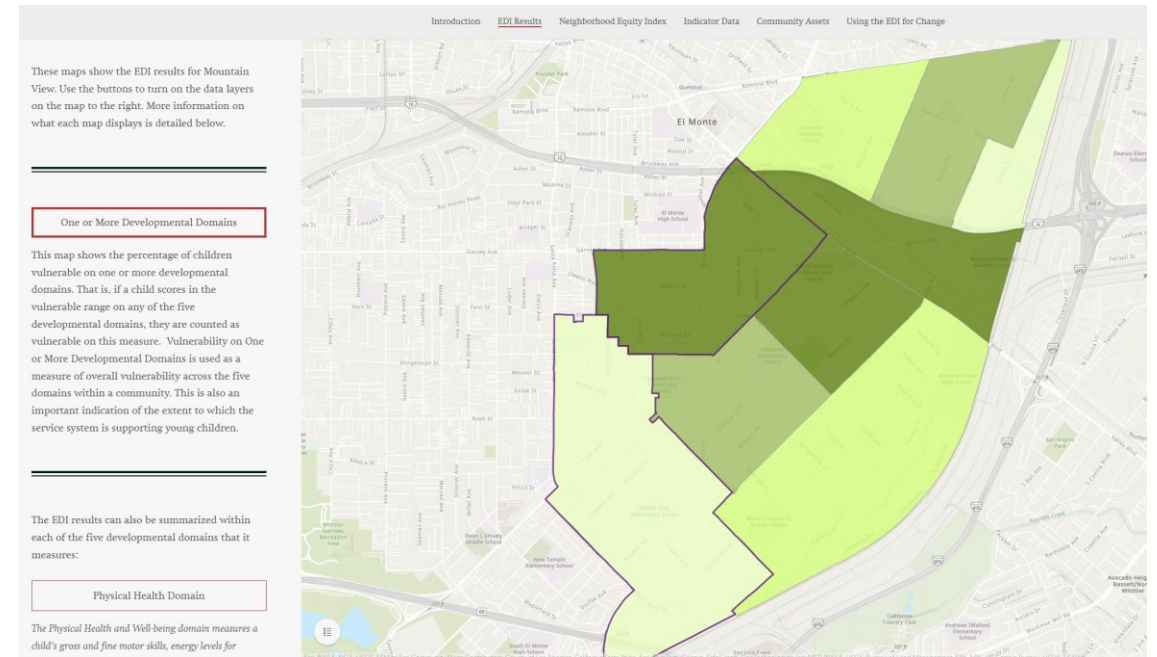


Examine factors that may contribute to children's wellbeing and school readiness



Percent of children enrolled in preschool

(darker color = lower rates of enrollment)



Percent of children vulnerable on one or more developmental domains

(darker color = higher vulnerability)

Examine availability of services/programs for families and take action

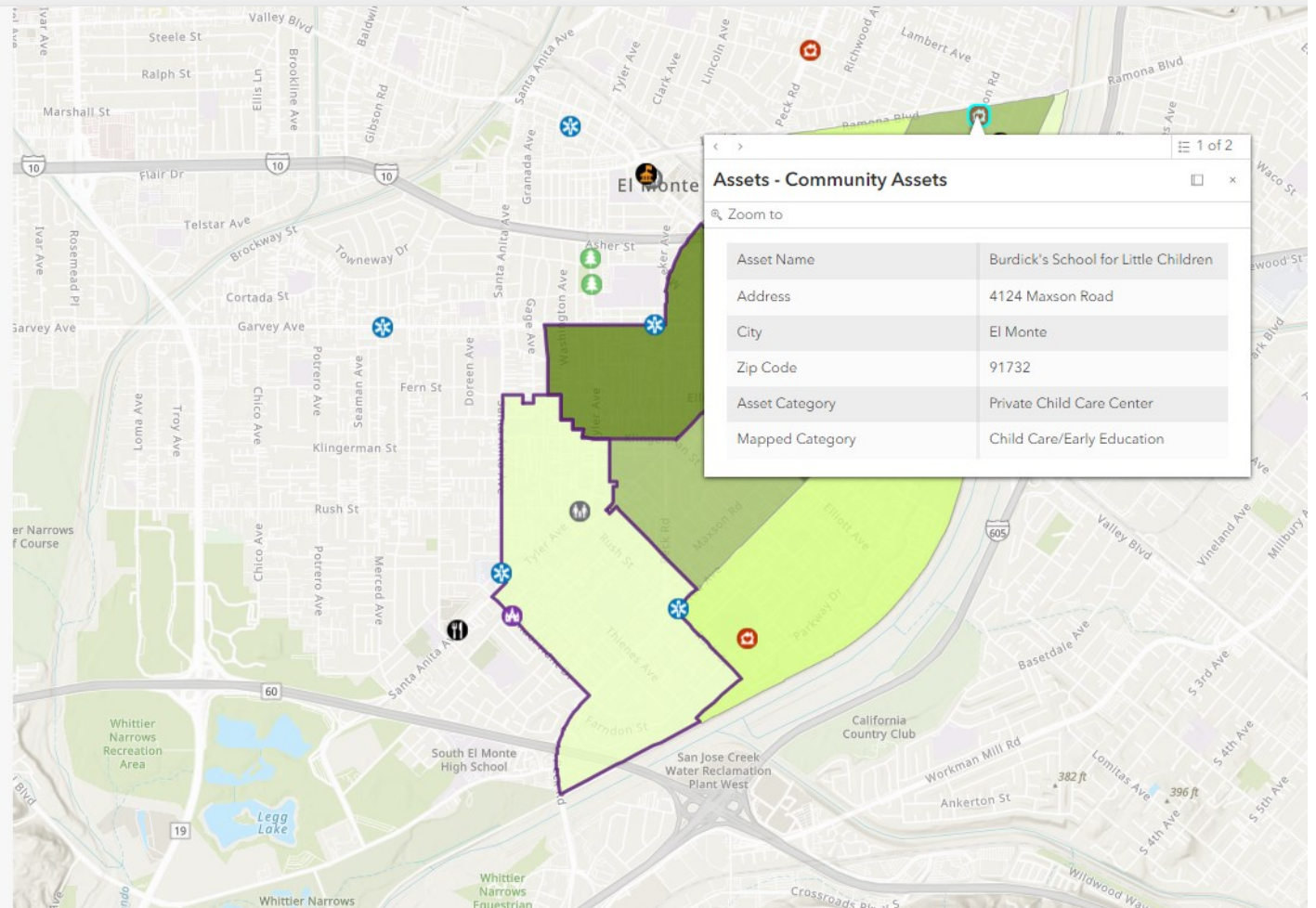
Community Assets

The availability and accessibility of services and resources in a community can have an effect on a child's development. For example, assets such as health services, childcare centers, parks, and libraries are all important resources to support parents in helping their children thrive. These assets are overlaid onto the neighborhood EDI results to help identify services gaps that could be influencing child development outcomes. Local stakeholders were provided the opportunity to select up to four groups of assets to be mapped. The data source for each map is noted below.

Community Assets

A community assets database was provided by the Mountain View Elementary School District and geocoded. The assets were then overlaid onto the EDI results.

Introduction EDI Results Neighborhood Equity Index Indicator Data Community Assets Using the EDI for Change



Examine potential strengths within communities and families

Neighborhood conditions

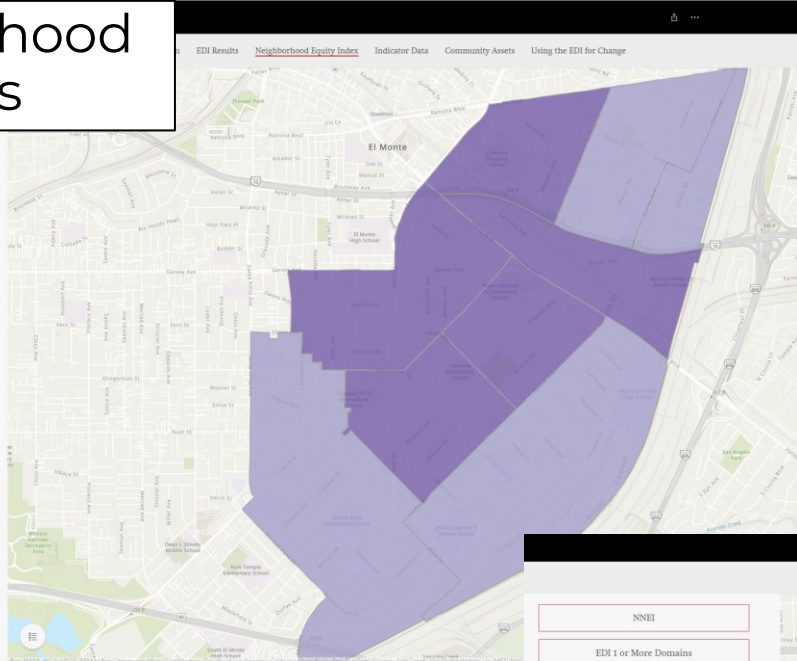
EDU 1 or More Domains

NNEI vs. EDI

While there is a general relationship between NNEI equity challenges and EDI vulnerability, differences between the two measures do show up in some neighborhoods and this can lead to . For this reason, it is helpful to directly overlay the NNEI measure with the EDI results to identify these neighborhoods that buck the predicted trend. The maps below show:

1. The NNEI itself
2. The EDI itself (Pct. Vulnerable on One or More Domains)
3. The overlay of the NNEI and EDI

In this final map, the neighborhoods shaded grey are those where the NNEI and EDI results match up as expected. The colored cells (both the red and blue shaded neighborhoods) represent where the two measures (EDI and NNEI) do not coincide. Neighborhoods in red indicate areas where children's vulnerability on the EDI is high but the level of neighborhood equity challenges is low. In these neighborhoods, children are performing worse on the EDI than might be expected based on the number of equity challenges in the NNEI. Conversely, blue cells indicate areas where children's vulnerability is low but the level of neighborhood equity challenges is high. In these



EDI results

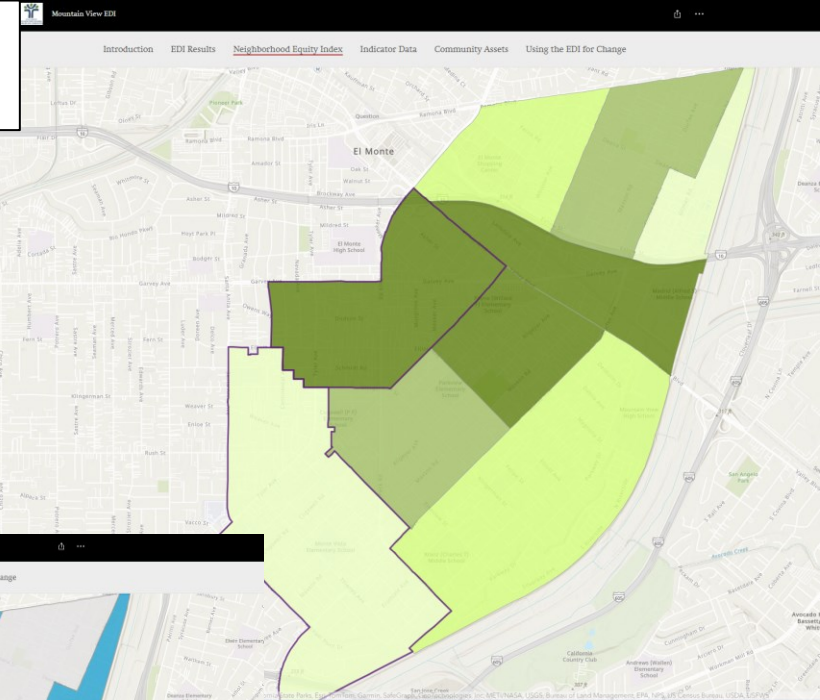
EDU 1 or More Domains

NNEI vs. EDI

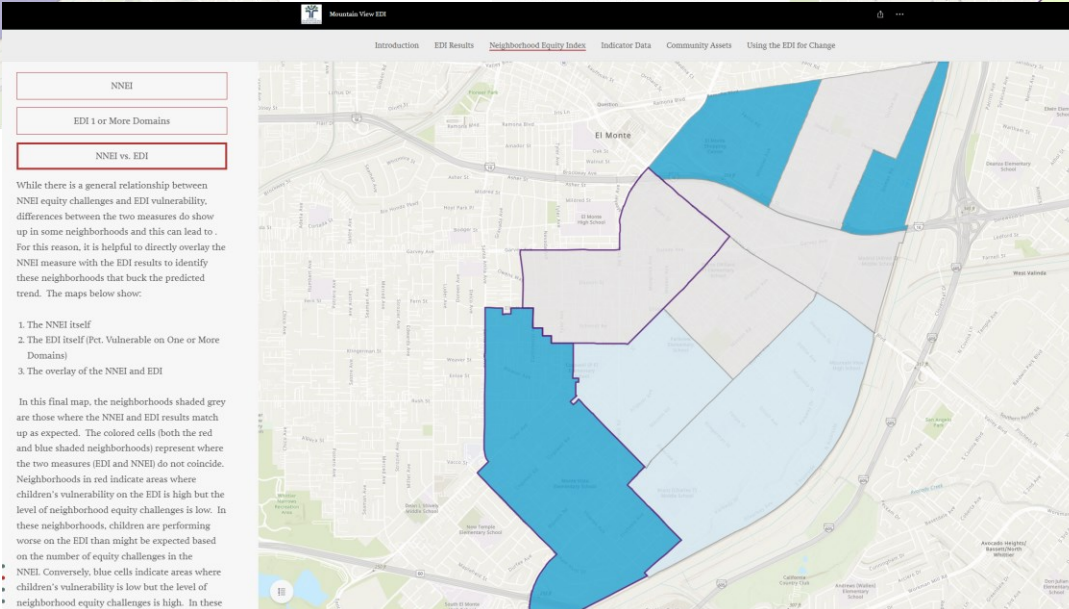
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Can reveal patterns of resilience in communities



How is Data Used?



Conduct data driven,
collective planning and
action



Guide actions about
resources, practices,
programs, policies.



Build new and
stronger
partnerships and
shared
accountability for
children



Monitor and
evaluate systems
over time

Using EDI: Looking Back to Improve Early Childhood Ecosystems

State	Share with legislature and executive agencies
City	Inform creation of EC policy, roadmap, Office of the Young Child
Coalitions	Focus and align cross-sector efforts
Programs	Create new ECE centers, health clinics, FRCs
Parents	Empower parents/residents in decision making process





Data Informed Futures Team @ UCLA:

- Lisa Stanley, Project Dir.
LisaStanley@mednet.ucla.edu
- Leila Espinosa, Knowledge to Action Dir. Lespinosa@mednet.ucla.edu

First 5 Alameda:

For questions about the **Kindergarten Readiness Community Study**, please reach out to:

- Jamie Klinger, Evaluation Officer,
jamie.klinger@first5alameda.org



To: First 5 Alameda County Commission

From: Kristin Spanos, Chief Executive Officer
Cally Martin, Deputy Chief Executive Officer
Nick Zhou, Chief Financial Officer
Maria Canteros, Senior Administrator, Finance

Date: April 25, 2024

Subject: Fiscal Year 2023-27 Contract Authorizations

REQUESTED ACTION

To review the following Fiscal Year 2023-27 contract authorizations.

BACKGROUND

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

Oakland Unified School District (OUSD) - \$40,376,580

First 5 Alameda County is requesting approval of a sole source Fiscal Year (FY) 2023-27 contract amendment not to exceed \$40,376,580 with Oakland Unified School District (OUSD). OUSD currently has a FY 2023-24 sole source contract for \$11,892,159 to make high-quality early education available to low-income families, provide professional development, coaching, and materials to early educators, and provide transitional support to low-income, high need families through intensive outreach and supports. The contract also supports enhanced ADA accessibility, play structure improvements at preschool sites, and facility improvements at the Kaiser Early Learning Center. The current contract term ends June 30, 2024.

This second contract amendment extends the contract term to June 30, 2027, which aligns with the term of First 5's agreement with the City of Oakland for the Oakland Children's Initiative. This additional award authorization funds access to free and affordable high-quality early care and education, including continued site expansion and improvements, family-friendly enrollment, student supports, family navigation, professional development and educator supports, and updates to the student enrollment system to align with TK-12.

For Fiscal Year 2024-25, the award authorization also adds \$2,474,400 in one-time costs for renovations to reopen the Washington Child Development Center, which is currently closed.

The addition of \$2,474,400 in one-time costs in FY 2024-25, three-year allocation of up to \$37,902,180, and existing award amount of \$11,892,159 brings the FY 2023-27 aggregate award amount to \$52,268,739 for which Commission approval is needed.

Fiscal Impact: Funding is provided by the contract with the City of Oakland for the Oakland Children’s Initiative where First 5 serves as the Early Education Fund Implementation Partner.

Action requested: Recommend an aggregate Fiscal Year 2023-27 award amount of \$52,268,739 for Oakland Unified School District.

City of Oakland Head Start (COOHS) - \$38,742,085

First 5 Alameda County is requesting approval of a sole source FY 2023-27 award authorization not to exceed \$38,742,085 with City of Oakland Head Start. COOHS currently has a FY 2023-24 sole source authorization for \$6,580,608 to support the ongoing implementation of Oakland Children's Initiative programming including infrastructure and personnel costs at the existing Tassafaronga, Arroyo Viejo, and Franklin sites and the new Martin Luther King site. It also supports materials and technology/nutritional resources at all sites, and new personnel to enhance services and increase operational capacity across all COOHS programs.

This contract amendment extends the contract term to June 30, 2027, which aligns with the term of First 5’s agreement with the City of Oakland for the Oakland Children’s Initiative. This additional award funds the continuation of programming, service expansion, family supports, and professional and workforce development.

For Fiscal Year 2024-25, the award authorization also adds \$426,073 in one-time costs for identification, assessment, and preparation of new sites.

The addition of \$426,073 in one-time costs in FY 2024-25, three-year allocation of up to \$38,316,012 and existing award amount of \$6,580,608 brings the FY 2023-27 aggregate award amount to \$45,322,693 for which Commission approval is needed.

Fiscal Impact: Funding is provided by the contract with the City of Oakland for the Oakland Children’s Initiative where First 5 serves as the Early Education Fund Implementation Partner.

Action requested: Recommend an aggregate Fiscal Year 2023-27 award amount of \$45,322,693 for City of Oakland Head Start.

RECOMMENDATION

To approve the above contract authorizations.

Submitted by:

DocuSigned by:
Nick Zhou
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Nick Zhou
Chief Financial Officer

Reviewed by:

DocuSigned by:
Cally Martin
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Cally Martin
Deputy Chief Executive Officer

DocuSigned by:

Maria Canteros
8493762444274F9...

Maria Canteros
Senior Administrator, Finance

Approved by:

DocuSigned by:
Kristin Spanos
ED639B4561544E4...

Kristin Spanos
Chief Executive Officer



To: First 5 Alameda County Commission

From: Kristin Spanos, Chief Executive Officer
Cally Martin, Deputy Chief Executive Officer
Nick Zhou, Chief Financial Officer
Maria Canteros, Senior Administrator, Finance

Date: April 25, 2024

Subject: Fiscal Year 2024-25 Proposed Budget – First Reading

ACTION REQUESTED

To review, discuss and provide feedback on the following Fiscal Year 2024-25 Proposed Budget.

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 ages 0-5 and their families. This budget proposal covers the third year of the new Strategic Plan period, Fiscal Year (FY) 2024-25.

This presentation is the first reading of the FY 2024-25 proposed budget. Staff will prepare the second and final reading for the June 2024 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 that 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 2025.

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

REVENUE AND AVAILABLE FUNDS FOR FY 2024-25

Combined Revenues and Sustainability Funds for FY 2024-25 are projected to be \$63 million. We are temporarily using our Sustainability Fund to make a loan to support a steady state so as not to reduce Agency capacity as we anticipate the continued build-out of our local early childhood system. This means we are continuing our maintenance of effort approach as we anticipate the receipt of Measure C funding, which will allow us to repay the loan from our Sustainability Fund, and to replace Prop 10 as tobacco tax revenue declines. Therefore, \$13.1 million of Sustainability Funds is budgeted to close the gap between revenue and projected expenses. This figure is consistent with the proposed FY 2024-34 Long Range Financial Plan.

REVENUE TYPE	2024-25 PROPOSED	RATIONALE/DETAILS
Tobacco Tax		
	\$8,768,292	The tobacco tax revenue projection (Prop 10, Prop 56 and the California Electronic Cigarette Excise Tax) is based on California Department of Finance and First 5 California projections for county commissions. Tobacco taxes are expected to decrease as per First 5 California's projections updated in January 2024 and reflect the decreased revenue due to the passing of the Prop 31 Flavored Tobacco Ban.
Measure AA Tax Revenue		
	\$32,519,042	City of Oakland Measure AA parcel tax funding for the Oakland Children's Initiative.
Other First 5 Income		
	\$864,327	Funding includes the projected First 5 California IMPACT Legacy grant to support local QRIS work, funding for the IMPACT Local Regional Training and Technical Assistance Hub and funding for the Home Visiting Regional Technical Assistance program activities via First 5 San Benito.
Interagency Income		
	\$2,804,347	Funding includes contracts with Alameda County Health Care Services Agency (with combined contribution from the Health Care Services Agency, Social Services Agency, Probation Department, and Child Support Services) to support Fathers Corp work; funding from the Alameda County Office of Education/CA State Block Grant for projected monies for the QRIS grant; funding from Alameda County Public Health Department for shared ECChange maintenance and hosting costs; funding from Alameda County Social Services Agency for workforce development activities, Early ID activities, continued development of the CEL application; and projected monies from the California Department of Social Services for Quality Counts California QRIS Block Grant.

REVENUE TYPE	2024-25 PROPOSED	RATIONALE/DETAILS
Grants		
	\$2,511,336	Funding from Sunlight Giving for general operating support; Alameda Alliance for Health and Stupski Foundation funding for the HMG Pediatric Care Pilot; Child Family & Community Services funding to support Parent Engagement activities and the Hellman Foundation to support development and implementation of a new Kindergarten Readiness Community Study tool.
Fiscal Leveraging		
Fiscal Leveraging	\$2,500,000	Projected funding for Medi-Cal Administrative Activities (MAA); estimates are based on MAA invoices submitted in FY 2023-24.
Total Revenue (1)	\$49,967,344	Tobacco Tax, Other First 5 Income, Interagency Income, Grants, Fiscal Leveraging and Other Income.
Reserves: Sustainability Fund (2)	\$13,072,452	Draw down from Sustainability Fund to balance the budget.
Grand Total	\$63,039,796	Total Revenues and Available Funds = (1) + (2)

EXPENDITURES FOR FY 2024-25

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

PROGRAMS STRATEGIES:

- Pediatric Care Coordination (formerly Early Identification, Screening and Care Coordination)
- Parent Partnership
- Neighborhoods Ready for School
- Fatherhood
- Early Care and 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 and an additional agency budget strategy for the Children's Health Initiative and Expansion. The

program strategy expenditures presented below consist of Salaries and Benefits, Program related Contracts, Grants, Stipends, Professional Services costs and Program Operating costs. Operational Support Strategies include Finance, Human Resources, Technology, Administration and Facilities costs. Indirect agency infrastructure costs are reflected in the Operational Support Strategies budgets. The budget narrative provides detail on each Strategy and is to be read in conjunction with the Strategic Plan.

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

Administrative Cost Analysis

First 5 Alameda County has implemented the new Administrative Cost Policy, approved by the Executive Committee on February 8, 2024. This revision aligns with the requirements set forth by AB 109 and SB 35, and adheres to the First 5 Financial Management Guide, ensuring compliance with state regulations. Moving away from a fixed cap, the policy now incorporates a detailed analysis of our indirect costs, conducted annually. This process allows us to determine a more precise allocation for administrative expenses. For the fiscal year 2024-25, this refined approach has resulted in an administrative cost allocation of 21%. This modification in our policy ensures that our budgeting is both responsible and reflective of our operational costs and needs, supporting our ongoing commitment to serve the children and families of Alameda County more efficiently.

The proposed budgets’ costs are:

FY 2024-25 COSTS	
Program	74%
Evaluation	5%
Administration	21%
TOTAL	100%

The proposed budget amounts in the following section represent the direct costs associated with each strategy before any adjustments for indirect costs.

Salaries and Benefits

For FY 2024-25, total salaries and benefits are projected to be \$21,562,824. Salaries are budgeted based on actual amounts. Benefits are budgeted at 54% 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 54% allocation is based on actual cost estimates that are revised periodically as needed.

AGENDA ITEM 9

The **Pediatric Care Coordination** (formerly Early Identification) budget proposal for FY 2024-25 is **\$4,768,944** and consists of:

FY 2024-25 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$4,768,944	<ul style="list-style-type: none"> ▪ Tobacco Tax ▪ Medi-Cal Administrative Activities (MAA) ▪ Alameda County Social Services Agency ▪ Alameda Alliance for Health ▪ Stupski Foundation 	<ul style="list-style-type: none"> ▪ Connect children and families to preventive care, child development resources, early intervention and community supports and help families navigate a complex system of service providers, ensuring equitable access to health and social resources ▪ Broaden screening efforts in alignment with Help Me Grow Strategic Plan including enhancing screening technology and purchase of ASQ kits ▪ Continue support for HMG Pediatric Care Pilot ▪ Continue programming for ACES Aware grant ▪ Continue to explore local system integration and expansion with managed care plans, health care and social services agencies

The **Parent Partnership** strategy budget proposal for FY 2024-25 is **\$2,500,540** and consists of:

FY 2024-25 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$2,500,540	<ul style="list-style-type: none"> ▪ Tobacco Tax ▪ Medi-Cal Administrative Activities (MAA) ▪ First 5 San Benito ▪ Child Family & Community Services 	<ul style="list-style-type: none"> ▪ Continue support of ECE workforce pilot program ▪ Continue support of Family Navigation services ▪ Continue support of Project DULCE activities ▪ Continue support of parent focused services prioritizing children ages 0-3 years with community partners and parent leaders to inform programming and investments

The **Neighborhoods Ready for School** strategy budget proposal for FY 2024-25 is **\$3,149,332** and consists of:

AGENDA ITEM 9

FY 2024-25 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$3,149,332	<ul style="list-style-type: none"> ▪ Tobacco Tax ▪ Medi-Cal Administrative Activities (MAA) 	<ul style="list-style-type: none"> ▪ Continue support of programs and services in the Castlemont Corridor and conducting neighborhood outreach and family engagement activities. ▪ Continue support of Parent Café programming ▪ Continue implementation of place-based investments in West and East Oakland, Fruitvale/San Antonio neighborhoods, and Union City.

The **Fatherhood** strategy budget proposal for FY 2024-25 is **\$786,862** and consists of:

FY 2024-25 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$786,862	<ul style="list-style-type: none"> ▪ Tobacco Tax ▪ Medi-Cal Administrative Activities (MAA) ▪ Alameda County Health Care Services Agency 	<ul style="list-style-type: none"> ▪ Continue incorporating Father Friendly Principles into additional programs and community initiatives ▪ Continue Father Friendly Principles awareness, adoption, implementation, and capacity building campaign to public systems and CBOs ▪ Implement Fatherhood Interagency Workgroup

The **Early Care and Education (ECE)** strategy budget proposal for FY 2024-25 is **\$5,939,666** and consists of:

FY 2024-25 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$5,939,666	<ul style="list-style-type: none"> ▪ Tobacco Tax ▪ Medi-Cal Administrative Activities (MAA) ▪ First 5 San Benito ▪ Alameda County Office of Education ▪ Alameda County Social Services Agency ▪ CA Department of Social Services 	<ul style="list-style-type: none"> ▪ Continue to provide core infrastructure, coordinator and convener role for the Quality Rating and Improvement System (QRIS) ▪ Continue the recruitment, training and engagement of ECE providers in the QRIS ▪ Continue to conduct and communicate assessment and rating with providers ▪ Continue to support trainings, playgroups and provide stipends for Family, Friend and Neighbor providers and Family Child Care sites ▪ Provide coaching, consultation, quality improvement services and training on social emotional development (CSEFEL) ▪ Continue support for sustainable advising and professional development in institutions of higher education

The **Data and Evaluation** strategy budget proposal for FY 2024-25 is **\$2,335,393** and consists of:

FY 2024-25	FUNDING SOURCES	PROPOSED ACTIVITIES
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AGENDA ITEM 9

PROPOSED AMOUNT		
\$2,335,393	<ul style="list-style-type: none"> ▪ Tobacco Tax ▪ Medi-Cal Administrative Activities (MAA) ▪ Hellman Foundation ▪ Child, Family & Community Services 	<ul style="list-style-type: none"> ▪ Continue to support evaluations of ECE Workforce activities, lactation programs, Pediatric Care Coordination and Neighborhoods Ready for School programs ▪ Continue development of data dashboard, performance monitoring and analysis for each F5AC program strategy in alignment with results-based accountability

The **Policy and Advocacy** strategy budget proposal for FY 2024-25 is **\$2,773,885** and consists of:

FY 2024-25 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$2,773,885	<ul style="list-style-type: none"> ▪ Tobacco Tax ▪ Medi-Cal Administrative Activities (MAA) ▪ Indirect Revenue 	<ul style="list-style-type: none"> ▪ Continue focus on local policy and systems changes to result in the institutionalization of the work that began at First 5 ▪ Contribute to First 5 Association policy work ▪ Continue developing an annual policy platform for local efforts aligned with First 5 programs and priorities around school readiness, child development, family supports, child friendly neighborhoods ▪ Continue support of Alameda County Early Childhood Policy Committee activities

The **Training** strategy budget proposal for FY 2024-25 is **\$588,641** and consists of:

FY 2024-25 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$588,641	<ul style="list-style-type: none"> ▪ Tobacco Tax ▪ Medi-Cal Administrative Activities (MAA) 	<ul style="list-style-type: none"> ▪ Continue to provide training on best and promising practices, and peer learning communities for the multi-disciplinary workforce serving families with young children ▪ Develop curriculum and capacity building tools connecting trainings to workforce development, parent engagement and place based strategies ▪ Support training for staff development program

The **Communications** strategy budget proposal for FY 2024-25 is **\$1,195,621** and consists of:

FY 2024-25 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
----------------------------	-----------------	---------------------

\$1,195,621	<ul style="list-style-type: none"> ▪ Tobacco Tax ▪ Medi-Cal Administrative Activities (MAA) ▪ Sunlight Giving ▪ Indirect Revenue 	<ul style="list-style-type: none"> ▪ Continue development of dissemination strategy for First 5 reports and information ▪ Continue development of social media strategy ▪ Build and maintain a new agency website ▪ Develop multi-year campaign that connects with policy platform, parent engagement and education on child development ▪ Develop collateral materials regarding impacts of F5 investments to promote sustainability and scale
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The **Operational Support (Finance, Human Resources, Technology, Administration and Facilities)** strategy budget proposal for FY 2024-25 is **\$9,906,000** and consists of:

OPERATIONAL SUPPORT STRATEGY		
FY 2024-25 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$9,906,000	<ul style="list-style-type: none"> ▪ Tobacco Tax ▪ Medi-Cal Administrative Activities (MAA) ▪ Alameda County Public Health Department ▪ Alameda County Social Services Agency ▪ Indirect Revenue 	<ul style="list-style-type: none"> ▪ Includes Administration, Technology, Finance, Human Resources, Commission, facilities management and consolidated operating costs to support agency operations ▪ Expand and update data systems to build capacity for cross data systems exchange of information including the enhancement of internal databases, expansion of data system agility and responsiveness, improved performance and productivity, update of electronic data sharing confidentiality and privacy practices ▪ Includes agency wide infrastructure costs of insurance, memberships/dues, professional services, utilities, janitorial and maintenance

In addition to the ten strategies in the Strategic Plan, the **Children’s Health Initiative and Expansion** budget proposal for FY 2024-25 is **\$29,094,912** and consists of:

FY 2024-25 PROPOSED AMOUNT	FUNDING SOURCES	PROPOSED ACTIVITIES
\$29,094,912	<ul style="list-style-type: none"> ▪ Tobacco Tax ▪ Medi-Cal Administrative Activities (MAA) ▪ City of Oakland Measure AA Parcel Tax 	<ul style="list-style-type: none"> ▪ Continue as Implementation Partner for Oakland Children’s Initiative Early Education Fund ▪ Continue investments for Oakland Unified School District and City of Oakland Head Start for service expansion, family support, and

AGENDA ITEM 9

	<ul style="list-style-type: none"> Alameda County Social Services Agency 	<p>capacity-building to benefit 3- and 4-year-old children</p> <ul style="list-style-type: none"> Readying for Measure C and the continued build-out of our local early childhood system
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FISCAL IMPACT

The fiscal impact is \$63,039,796 in budgeted expenses, a major portion of which will be funded by a combination of Prop 10 and other revenue sources amounting to \$49,967,344. The balance is proposed to be funded by the use of Proposition 10 Sustainability Funds totaling \$13,072,452 in FY 2024-25.

RECOMMENDATION

That the Commission review the FY 2024-25 Proposed Budget – First Reading and give feedback for clarification or changes in preparation for the Commission’s second and final reading on June 20, 2024.

Submitted by:

DocuSigned by:

 9CAD6E2B98B34BC...
 Nick Zhou
 Chief Financial Officer

Reviewed by:

DocuSigned by:

 E38237316EC4482...
 Cally Martin
 Deputy Chief Executive Officer

DocuSigned by:

 8493762444274F9...
 Maria Canteros
 Senior Administrator, Finance

Approved by:

DocuSigned by:

 ED639B4561544E4...
 Kristin Spanos
 Chief Executive Officer

**First 5 Alameda County
Proposed Budget - Revenue
July 1, 2024 - June 30, 2025**

Revenues	Final Revised Budget FY2023-24	First Reading Proposed Budget FY2024-25	Change Increase/ (Decrease)
Tobacco Tax Revenue	9,577,736	8,768,292	(809,444)
Measure AA Parcel Tax Revenue	24,513,168	32,519,042	8,005,874
Other First 5 Income			
First 5 San Benito (IMPACT Legacy & HUB)	1,311,063	694,156	(616,907)
First 5 San Benito (Home Visiting Regional Technical Assistance)	170,171	170,171	-
Total Other First 5 Income	1,481,234	864,327	(616,907)
Interagency Income			
Alameda County Health Care Services Agency (Fathers Corp)	464,800	410,000	(54,800)
Alameda County Office of Education (QRIS Block Grant)	614,934	593,821	(21,113)
Alameda County Office of Education (Inclusive ELC Grant)	26,561	-	(26,561)
Alameda County Public Health Dept. (shared Technology costs)	141,409	141,409	-
Alameda County Public Health Dept. (Perinatal Health Outreach Services)	140,000	-	(140,000)
Alameda County Social Services Agency (CEL Application)	882,222	421,684	(460,538)
City of Berkeley (Fathers Corp)	25,000	-	(25,000)
Federal Pass-through Grants:			
Alameda County Housing and Community Development Agency (Unincorporated Needs Assessment)	30,407	-	(30,407)
Alameda County Public Health Dept. CHDP (CAP)	479,658	-	(479,658)
Alameda County Social Services Agency (Family Navigator, Comprehensive Child Development and Workforce Pilot)	717,508	717,642	134
Federal Pass-through State Grants:			
California Dept. of Social Services (QCC QRIS Block Grant)	515,119	519,791	4,672
Total Interagency Income	4,037,618	2,804,347	
Grants			
Sunlight Giving	525,000	440,000	(85,000)
Alameda Alliance for Health	1,594,344	1,594,344	-
Hellman Foundation (via CA Children and Families Foundation)	100,000	100,000	-
Stupski Foundation	214,877	104,492	(110,385)
Kaiser Permanente Hospitals Foundation	102,188	-	(102,188)
Child Family & Community Services (via CA Children and Families Foundation)	1,072,600	272,500	(800,100)
California Wellness Foundation	20,000	-	(20,000)
Heising-Simons Foundation	20,000	-	(20,000)
Kresge Foundation	70,000	-	(70,000)
Fatherhood Summit Sponsors	61,070	-	(61,070)
Total Grants	3,780,079	2,511,336	(1,268,743)
Fiscal Leveraging - Medi-Cal Administrative Activities	2,500,000	2,500,000	-
Other Income			
Investment Revenue	324,000	-	(324,000)
Miscellaneous Revenue - Other	-	-	-
TOTAL REVENUE	46,213,835	49,967,344	3,753,509
RESERVES			
Proposition 10 - Sustainability Funds	10,177,886	13,072,452	2,894,566
TOTAL REVENUES & AVAILABLE FUNDS	56,391,721	63,039,796	6,648,075

First 5 Alameda County
Proposed Expenditure Budget by Expenditure Category
July 1, 2024 - June 30, 2025

Expenditures	Final Revised Budget FY2023-24	1st Reading Proposed Budget FY2024-25	Difference	Variance from Prior Year
Personnel Costs	\$20,726,421	\$21,562,824	\$836,403	4%
Program Contracts/Grants	\$33,534,005	\$39,305,516	\$5,771,511	17%
Program Operating Costs	\$629,447	\$649,496	\$20,049	3%
Infrastructure Costs	\$1,501,848	\$1,521,960	\$20,112	1%
TOTAL EXPENDITURES	\$56,391,721	\$63,039,796	\$6,648,075	12%

Notes:

Major changes in Expenditure Category costs, between the FY 2023-24 Final Revised Budget and the Proposed FY 2024-25 Budget.

1. Personnel Costs

FY 2024-25 proposed personnel increases to support the implementation of the Oakland Children's Initiative (Measure AA) and infrastructure expansion.

2. Program Contracts/Grants

FY 2024-25 proposed increase in contracts and grants reflect increases in the Oakland Children's Initiative partners to include carryover funds.

3. Program Operating Costs

FY 2024-25 proposed increase in program costs are adjusted based on funded activities.

4. Infrastructure Costs

FY 2024-25 proposed increase in infrastructure costs due to projected vendor increases.

**First 5 Alameda County
Proposed Operating Expenditure Budget By Strategy
July 1, 2024 - June 30, 2025**

AGENDA ITEM 9.3

	Parent Partnership	Pediatric Care Coordination	Early Care and Education	Fatherhood	Neighborhoods Ready for School	Policy and Advocacy	Data and Evaluation	Training	Communications	Operational Support (Finance, Human Resources, Technology & Admin/Facilities)	Children's Health Initiative and Expansion	TOTAL ORIGINAL BUDGET
FY 2024-25 1ST READING PROPOSED BUDGET												
	FY 2024-25	FY 2024-25	FY 2024-25	FY 2024-25	FY 2024-25	FY 2024-25	FY 2024-25	FY 2024-25	FY 2024-25	FY 2024-25	FY 2024-25	FY 2024-25
Personnel Costs												
Salaries & Benefits	908,358	3,804,710	3,379,159	489,116	585,412	2,400,679	1,319,283	401,238	481,294	6,339,849	1,453,726	21,562,824
Program Contracts/Grants												
Contracts	1,592,182	891,134	1,948,203	240,000	2,487,920	288,206	1,007,500	109,200	603,800	1,809,000	27,598,186	38,575,331
Grants & Stipends	0	0	442,000	3,000	0	0	0	0	0	0	0	445,000
Professional Services*	0	0	85,151	30,000	61,000	0	0	58,300	0	50,734	0	285,185
Total Contracts/Grants	1,592,182	891,134	2,475,354	273,000	2,548,920	288,206	1,007,500	167,500	603,800	1,859,734	27,598,186	39,305,516
Program Operating Costs**	0	73,100	85,153	24,746	15,000	85,000	8,610	19,903	110,527	184,457	43,000	649,496
Infrastructure Costs	0	0	0	0	0	0	0	0	0	1,521,960	0	1,521,960
Total Direct Program Costs	2,500,540	4,768,944	5,939,666	786,862	3,149,332	2,773,885	2,335,393	588,641	1,195,621	9,906,000	29,094,912	63,039,796

* Professional Services Contracts: Contracts with individuals or vendors for time limited services that support program work (e.g. consultants, web design, etc.)

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



To: First 5 Alameda County Commission

From: Kristin Spanos, Chief Executive Officer
Cally Martin, Deputy Chief Executive Officer
Nick Zhou, Chief Financial Officer
Maria Canteros, Senior Administrator, Finance

Date: April 25, 2024

Subject: Fiscal Year 2024-2034 Long Range Financial Plan – First Reading

ACTION REQUESTED

To review the following Fiscal Year (FY) 2024-2034 Long Range Financial Plan.

BACKGROUND

First 5 Alameda County has adopted a Long-Range Financial Plan (LRFP) annually since March 2004. Adoption of a Long-Range Financial Plan has been a statutory requirement of all First 5 Commissions since 2006-07. The current LRFP was formally approved by the Commission in June 2023. An update to the LRFP is included with underlying assumptions as well as historical background information. The update reflects the Proposed Budget for FY 2024-25 and the most recent Tobacco Tax revenue forecast from the California Department of Finance and First 5 California as of January 2024.

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, 2023 was \$27.8 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 Prop 10 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 Fiscal Year 2024-2034 Long Range Financial Plan and to give feedback for clarification or changes in preparation for the Commission’s second and final reading on June 20, 2024.

Submitted by:

DocuSigned by:
Nick Zhou
9CAD6F2B98B34BC

Nick Zhou
Chief Financial Officer

Approved by:

DocuSigned by:
Kristin Spanos
ED639B4561544E4

Kristin Spanos
Chief Executive Officer

DocuSigned by:
Maria Canteros
8493762444274F9...

Maria Canteros
Senior Administrator, Finance

Reviewed by:

DocuSigned by:
Cally Martin
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Cally Martin
Deputy 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 2023-24 figures reflect the projected Revenue and Expense for the fiscal year. For FY 2024-25 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 January 2024 through the period ending FY 2027-28. These consider the effects of the federal tobacco tax, other declines in state tobacco tax revenues due to newer legislation (SBX2-7 Smoking Age Increase to 21 effective June 2016, Proposition 56 \$2 dollar tobacco tax increase effective April 2017, Proposition 31 Flavored Tobacco Ban), Prop 99, backfill amounts and other factors. The projections listed below cover FY 2023-2034.

Historically, the DoF projections have been on the conservative side; actual revenues received being equal to or higher than projections with the exception of FY 2018-19 and FY 2021-22. We anticipate receiving updated revenue projections from the DoF and First 5 CA periodically and we will continue to forecast revenue conservatively.

<u>Fiscal Year</u>	<u>DoF Projection</u>	<u>Actual Revenue</u>
2010-2011	\$14.0m	\$14.3m
2011-2012	\$13.8m	\$14.5m
2012-2013	\$13.3m	\$13.6m
2013-2014	\$13.2m	\$13.2m
2014-2015	\$13.0m	\$13.3m
2015-2016	\$12.1m	\$13.2m
2016-2017	\$11.6m	\$12.6m
2017-2018	\$10.6m	\$11.3m
2018-2019	\$12.8m	\$12.1m
2019-2020	\$11.5m	\$12.6m
2020-2021	\$11.9m	\$13.0m
2021-2022	\$12.9m	\$12.5m
2022-2023	\$11.0m	\$11.1m
2023-2024	\$10.0m	
2024-2025	\$8.8m	
2025-2026	\$7.8m	
2026-2027	\$7.4m	
2027-2028	\$7.2m	
2028-2029	\$7.0m	
2029-2030	\$6.8m	
2030-2031	\$6.6m	
2031-2032	\$6.4m	
2032-2033	\$6.2m	
2033-2034	\$6.0m	

AGENDA ITEM 10

Based on the above DoF projection for FY 2023-24, the Long-Range Financial Plan assumes a 9.1% decrease in tax revenue from the prior year. Beyond FY 2024-25, revenues are expected to continue decreasing at rates between approximately 12% to 3% per year through 2034. If actual revenues show a significant change during the year, the projection for the current year will be brought to the Commission at mid-year, along with other budget modification proposals.

- **Measure AA Tax Revenue** – Funding from the City of Oakland Measure AA parcel tax for the Oakland Children’s Initiative Early Education Fund activities (\$32,519,042)
- **Interagency Income -**
 - Funding from First 5 California via First 5 San Benito (IMPACT Legacy and IMPACT Local Regional T/TA Hub) – to support local QRIS work including rating and quality improvement in childcare settings (\$694,156)
 - Funding from First 5 San Francisco via First 5 San Benito – for Home Visiting Regional Technical Assistance program activities (\$170,171)
 - Funding from AC Health Care Services Agency, AC Social Services Agency, Probation Department, and Child Support Services to support Fathers Corps work (\$410,000)
 - AC Public Health Department funding for ECChange database hosting and maintenance (\$141,409)
 - Funding from AC Office of Education Block Grant 10 to support Quality Rating Improvement Systems (QRIS) work (projected award \$593,821)
 - 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 (\$717,642)
 - Funding from AC Social Services Agency to support the Centralized Eligibility List (CEL) Application Project (\$421,684)
- **State Grants -**
 - Funding from the California Department of Social Services QCC QRIS Block Grant (projected award \$519,791)
- **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 (\$1,594,344)
 - Funding from the Stupski Foundation through December 2024 to support HMG’s Pediatric Care Coordination activities (\$104,492)
 - Funding from Sunlight Giving for general operating support (\$440,000)
 - Funding from the Child Family & Community Services (via CA Children and Families Foundation) to fill gaps in Alameda County’s early childhood system (\$272,500)
 - Funding from the Hellman Foundation (via CA Children and Families Foundation) to identify and implement a countywide Kindergarten Readiness Community Study tool (\$100,000)

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

- **Miscellaneous Income** – None

- **Fiscal Leveraging** – Since FY 2009-10, fiscal leveraging revenues consist entirely of federal reimbursements under the Medi-Cal Administrative Activities (MAA) program. Gross MAA revenues for the prior fiscal year are usually received 8-12 months in arrears. As a result of the perpetual time study methodology introduced by the granting agency in FY 2013-14 and the inclusion of actual client count for invoicing, revenues are expected to average approximately \$2.5 million. For the purposes of this LRF, it is assumed that programs eligible for MAA claiming will be reimbursed at this level in the FY 2024-25 budget year and conservatively continuing between \$2.5 million to \$1.8 million through FY 2033-34.

EXPENSES

FY 2024-25 expenditure figures are from the current proposed budget process. For FY 2025-34, 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

First 5 has used the Sustainability Fund to support a steady state to maintain Agency capacity as we anticipate the continued build-out of the early childhood system and to close the gap between program costs and declining Prop 10 revenue. Therefore, \$13 million of Sustainability Funds is budgeted to close the gap between revenue and projected expenses. This figure is consistent with the proposed FY 2024-34 Long Range Financial Plan.

Additionally, since the passage of Measure C, First 5 has temporarily loaned funds from the Sustainability Fund to help the organization prepare for implementation of Measure C. When the loan is repaid, the funds will be restored to the Sustainability Fund.

MINIMUM FUND BALANCE REQUIREMENTS

The Sustainability Fund cannot be spent down to zero; some funds must be maintained as an operating reserve to cover ongoing cash flow requirements to act as a buffer if there are delays in receiving state tobacco tax revenues or other revenues. The recommendation is to maintain an amount in the Fund Balance, at a minimum, equal to six months of Prop 10 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 ages 0-5, even as the tobacco tax revenue declined.

The Sustainability Fund is projected to be approximately \$26.3 million at the end of the current 2023-24 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

AGENDA ITEM 10

were intentionally budgeted over several years (2001-2004). Finally, budgeted funds that remained unspent were directed by the Commission to be added to the Sustainability Fund, rather than be rolled-over to the subsequent year's budget (2001-present). It is important to note however that, Sustainability Funds have been budgeted for program use since 2005-06, which means that expenses have been projected higher than revenues in each of those years, but budget savings in those years made it unnecessary to draw from the Fund. These changes have resulted in draws periodically from the Sustainability Fund only since FY 2009-10.

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

<u>Draw down from Sustainability for Operations (\$millions)</u>		
<u>Fiscal Year</u>	<u>Planned draw down</u>	<u>Actual amount drawn</u>
<u>FY 2009-2013 Strategic Plan</u>		
2009-10	\$6.9m	\$3.3m
2010-11	\$9.3m	\$6.7m ¹
2011-12	\$4.1m	\$0.8m
2012-13	\$9.0m	\$5.3m ²
<u>FY 2013-17 Strategic Plan</u>		
2013-14	\$1.7m	\$0.0
2014-15	\$2.3m	\$1.5m
2015-16	\$2.3m	\$1.2m
2016-17	\$4.9m	\$0.0
<u>FY 2017-22 Strategic Plan</u>		
2017-18	\$3.5m	\$0.0
2018-19	\$2.0m	\$0.0
2019-20	\$3.7m	\$0.0
2020-21	\$6.1m	\$1.4m
2021-22	\$4.1m	\$2.0m
<u>FY 2022-27 Strategic Plan</u>		
2022-23	\$5.0m	\$2.3m
2023-24	\$5.9m	

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

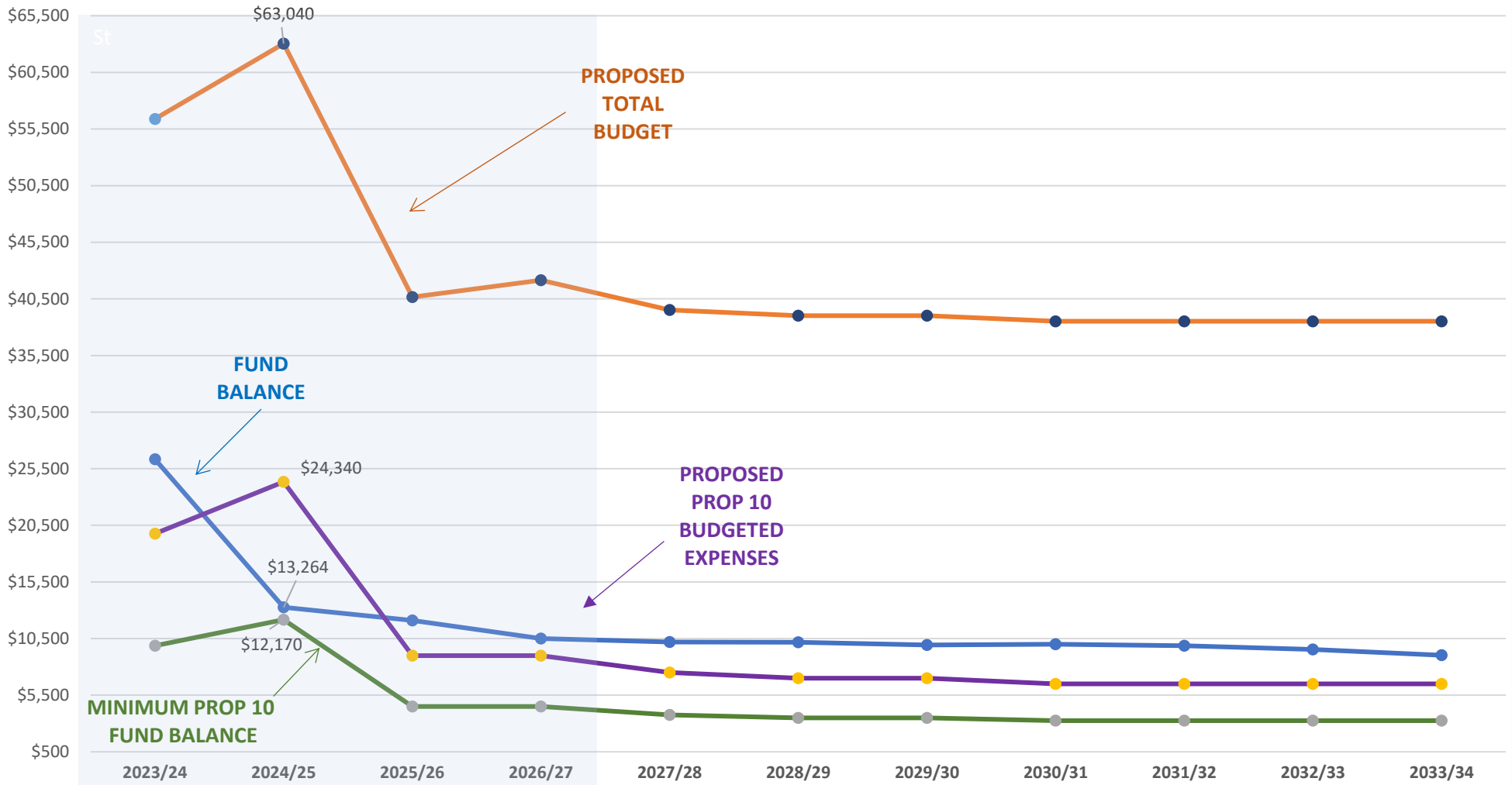
² Purchase of office building at 1115 Atlantic Ave., Alameda in April 2013.

Dollars in Thousands

	2022 - 2027 Strategic Plan					2027-2032 Strategic Plan TBD					2032-2037 Strategic Plan TBD	
	Actual	Projected	Proposed	Projections		Projections					Projections	
	2022/23	Rev & Exp 2023/24	Budget 2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Beginning Fund Balance	\$ 30,060	\$ 27,755	\$ 26,336	\$ 13,264	\$ 12,097	\$ 10,509	\$ 10,199	\$ 10,173	\$ 9,937	\$ 9,999	\$ 9,864	\$ 9,538
REVENUES		-13.5%	-8.4%	-10.7%	-5.4%							
Proposition 10 Tobacco Tax	\$ 11,067	\$ 9,577	\$ 8,768	\$ 7,833	\$ 7,412	\$ 7,190	\$ 6,974	\$ 6,765	\$ 6,562	\$ 6,365	\$ 6,174	\$ 5,989
City of Oakland Measure AA Tax	\$ 3,667	\$ 24,513	\$ 32,519	\$ 30,529	\$ 32,022	\$ 32,022	\$ 32,022	\$ 32,022	\$ 32,022	\$ 32,022	\$ 32,022	\$ 32,022
Other First 5 Revenue	\$ 1,483	\$ 1,481	\$ 864	\$ -	\$ -							
- First 5 California (IMPACT 2020)	\$ 1,225	\$ 1,311	\$ -	\$ -	\$ -							
- First 5 San Francisco/Childrens Council of SF (T/TA Hub)	\$ 258	\$ -	\$ -	\$ -	\$ -							
- First 5 San Benito (IMPACT Legacy & Hub)			\$ 694									
- First 5 San Benito (Home Visiting Regional TA)		\$ 170	\$ 170									
Interagency Income - County	\$ 2,398	\$ 3,523	\$ 2,285	\$ 1,125	\$ 1,125							
- ACHCSA (Fathers Corps)	\$ 335	\$ 465	\$ 410	\$ 400	\$ 400							
- ACPHD (Data Systems Hosting and Maintenance)	\$ 134	\$ 141	\$ 141									
- ACPHD (Home Visiting/PHOC)	\$ 140	\$ 140	\$ -									
- AC Office of Educ. (QRIS Block Grant)	\$ 447	\$ 615	\$ 594									
- AC Office of Educ. (Inclusive Early Learning)	\$ 80	\$ 27	\$ -									
- City of Berkeley (Fathers Corp)	\$ -	\$ 25	\$ -									
Interagency Income - Federal Pass-through												
- ACPHD HMG Linkage Line	\$ 431	\$ 480	\$ -									
- ACHCDA (Unincorporated Needs Assessment)	\$ 20	\$ 30	\$ -									
- ACSSA (Navigation, Workforce Pilot, Comp Child Dev)	\$ 683	\$ 718	\$ 718	\$ 725	\$ 725							
- ACSSA (CEL Application Project)	\$ 128	\$ 882	\$ 422									
State Grants - Federal Pass-through	\$ 552	\$ 515	\$ 520	\$ -	\$ -							
- CA Dept. of Social Services (QCC QRIS Block Grant)	\$ 497	\$ 515	\$ 520									
- CA Dept. of Education (Preschool Development Grant)	\$ 55	\$ -	\$ -									
Other Grants (Private, Foundation or Other)	\$ 3,009	\$ 3,719	\$ 2,511	\$ -	\$ -							
- Alameda Alliance for Health	\$ 1,453	\$ 1,594	\$ 1,594									
- Sunlight Giving	\$ 270	\$ 525	\$ 440									
- Stupski Foundation	\$ 47	\$ 215	\$ 104									
- CA Wellness Foundation	\$ 20	\$ 20	\$ -									
- Heising-Simons Foundation	\$ -	\$ 20	\$ -									
- Kresge Foundation	\$ -	\$ 70	\$ -									
- Hellman Foundation	\$ -	\$ 100	\$ 100									
- Child Family & Community Services	\$ 1,199	\$ 1,073	\$ 273									
- Tipping Point	\$ 20	\$ -	\$ -									
- Kaiser Permanente Hospitals Foundation	\$ -	\$ 102	\$ -									
Miscellaneous Income	\$ 15	\$ 61	\$ -									
Fiscal Leveraging (MAA)	\$ 2,560	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 1,850	\$ 1,850	\$ 1,850	\$ 1,850	\$ 1,850	\$ 1,850	\$ 1,850
Investment Income	\$ 102	\$ 324	\$ -	\$ 139	\$ 127	\$ 110	\$ 107	\$ 107	\$ 104	\$ 105	\$ 104	\$ 100
TOTAL REVENUES	\$ 24,853	\$ 46,213	\$ 49,967	\$ 42,126	\$ 43,186	\$ 41,172	\$ 40,953	\$ 40,744	\$ 40,538	\$ 40,342	\$ 40,150	\$ 39,961
TOTAL EXPENSES	\$ 25,961	\$ 56,392	\$ 63,040	\$ 40,654	\$ 42,147	\$ 39,522	\$ 39,022	\$ 39,022	\$ 38,522	\$ 38,522	\$ 38,522	\$ 38,522
TOTAL PROP 10 EXPENSES	\$ 16,549	\$ 19,756	\$ 24,340	\$ 9,000	\$ 9,000	\$ 7,500	\$ 7,000	\$ 7,000	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500
CASHFLOW												
Total Disbursements	\$ 25,961	\$ 56,392	\$ 63,040	\$ 40,654	\$ 42,147	\$ 39,522	\$ 39,022	\$ 39,022	\$ 38,522	\$ 38,522	\$ 38,522	\$ 38,522
(Shortfall)/Surplus Revenue over Expenses (Use of Sustainability Fund)	\$ (2,305)	\$ (1,419)	\$ (13,072)	\$ (1,167)	\$ (1,588)	\$ (310)	\$ (26)	\$ (235)	\$ 62	\$ (135)	\$ (326)	\$ (511)
Ending Fund Balance	\$ 27,755	\$ 26,336	\$ 13,264	\$ 12,097	\$ 10,509	\$ 10,199	\$ 10,173	\$ 9,937	\$ 9,999	\$ 9,864	\$ 9,538	\$ 9,027
MINIMUM PROP 10 FUND BALANCE REQUIRED (50% OR 6 Months of Prop 10 Budgeted Expenses)	\$ 8,275	\$ 9,878	\$ 12,170	\$ 4,500	\$ 4,500	\$ 3,750	\$ 3,500	\$ 3,500	\$ 3,250	\$ 3,250	\$ 3,250	\$ 3,250

LONG RANGE FINANCIAL PLAN FY 2024-2034 BUDGET & FUND BALANCE IN MILLIONS

STRATEGIC PLAN (2022-27)





To: First 5 Alameda County Commission
From: Kristin Spanos, Chief Executive Officer
Date: April 25, 2024
Subject: Fiscal Year 2022-23 First 5 California Annual Report Approval

REQUESTED ACTION

To review and approve the First 5 California Fiscal Year 2022-23 Annual Report.

BACKGROUND

Proposition 10 legislation requires each county Commission to conduct a public hearing on the First 5 California Annual Report. The report is a compilation of data collected from counties and from statewide initiatives. Highlights from Alameda County can be found on page 30. The report also summarizes county results by four focus areas: Family Resiliency, Child Development, Child Health, and Systems of Care. The full report can be downloaded at: [First 5 California 2022-23 Annual Report](#).

FISCAL IMPACT


There is no fiscal impact for this approval.

RECOMMENDATION

To approve the Fiscal Year 2022-23 First 5 California Annual Report.

Submitted by:

Reviewed by:

DocuSigned by:

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First 5 County Highlights

The following reports have been submitted directly from each individual First 5 county commission.

Alameda

In fiscal year (FY) 2022–2023, First 5 Alameda County advanced our comprehensive whole community, whole family, whole child system-building approach in support of kindergarten readiness and the 100,000+ young children who call Alameda County home. We expanded our partnerships and programs by building out our capacity, restructuring our agency, hiring experienced staff, and increasing our budget by 108%. In 2022, we were awarded the City of Oakland contract to serve as administrator and implementation partner of the Oakland Children's Initiative Early Education Fund. In the first six months of implementation, we allocated over \$10 million to stabilize the early education programs at Oakland Unified School District and City of Oakland Head Start by supporting neglected physical infrastructure and urgent staffing needs. This year, we launched a Pediatric Care Coordination Division, integrating programs and expanding capacity to reach more children through existing programs like Help Me Grow and DULCE (Developmental Understanding and Legal Collaboration for Everyone), while also working to maximize resources and leverage partnerships to expand impact. Building on this proven track record, we bolstered our partnership with Alameda Alliance for Health by successfully advocating for a \$300,000 budget increase for Help Me Grow. In FY 2022–2023, we continued to invest in programs and initiatives that engage fathers, like Fathers Corps, which celebrated its 10th anniversary in 2023. The program has received state and national recognition and, in 2023, its cofounder and Program Administrator presented the program model to the California Fatherhood Council, which is being considered for replication in a statewide initiative. Through our Neighborhoods Ready for School initiative, we grant funding directly to community organizations in neighborhoods that have been traditionally underserved due to racist and classist systems and policies, to support their work with children and families. In FY 2022–2023, we invested over \$3 million in four neighborhoods across Alameda County.

Alpine

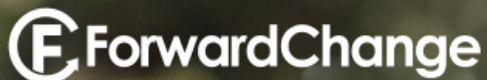
First 5 Alpine partnered to prepare children, families, and the school system for the start of pre-kindergarten and kindergarten in Alpine County. Six of seven (or 86%) children anticipated to attend 2022–2023 school term participated in the 2022 Kindergarten Meet and Greet. In partnership with the Alpine County Office of Education (ACOE), First 5 Alpine invited families to gain familiarity with the school, the kindergarten teacher, and their classmates prior to the start of the school year. Families met the kindergarten teacher and classmates, toured the classroom, were encouraged to complete enrollment forms, and received a backpack full of supplies. Seven of 10 (or 70%) students who were anticipated to attend the 2023–2024 school term participated in the Kindergarten Roundup in May 2023. Participating partners included the Speech Language Pathologist, the Tribal Liaison, and the school nurse. Families were encouraged to complete enrollment paperwork and participate in school readiness assessments, and First 5 distributed books and activities. Partners answered families' questions and connected them to resources. The results of these events included:

- **Increased Family Engagement:** Both events provided community partners and the school district an opportunity to engage families earlier in their educational journey through the Alpine County school system. Partners were able to better understand families' needs and begin to establish ongoing relationships with parents/caregivers and their children.
- **Improved Service Coordination:** While First 5 Alpine organized and promoted the events, the ACOE educated families about the pre-kindergarten/ kindergarten experience, and other partners promoted services. Both events represent coordinated efforts to enroll children in pre-kindergarten/ kindergarten and to connect families to services and support available.

SUPPORTING FATHER INVOLVEMENT AND SUCCESS:

An Evaluation of the Fathers Corps
Program of First 5 Alameda County

Arnold Chandler, Forward Change



About Fathers Corps

Established in 2013, the Alameda County Fathers Corps is a **cross-systems collaboration** of Alameda County's Health Care Services Agency, Social Services Agency, Department of Child Support Services, Department of Probation, and led by First 5 Alameda County.

Mission: Fathers Corps works to create a father-friendly system of care for families by building the capacity of service providers to effectively see, serve, and support fathers and father-figures. The multi-program initiative specifically seeks to create father-specific and father-centered services that enhance the parenting skills of low-income fathers of color.



Purpose of the Evaluation



Document the history of the program at its 10-year anniversary to assess how program activities have impacted target populations. Three primary questions guided the evaluation:

- 1** What **effect has Fathers Corps had on fathers and father figures** participating in program activities?
- 2** How has Fathers Corps **influenced service providers who work directly with fathers**, including observed changes in organizational practices towards fathers?
- 3** What **impact has Fathers Corps made on service delivery to fathers by public, private, and nonprofit organizations**, according to leaders of those groups.



Methods of data collection included document review, analysis of historical program surveys, key informant interviews, a focus group held with fathers, and an evaluation survey. Evaluation was conducted between February 2023 and January 2024.



The Fathers Corps Model

Programs and
Target Populations



Target Populations and Outcomes



Fathers/Father Figures



Service Providers



Systems Leaders

Target Population

Low-income fathers of color not residing with their young children (ages 0-5).

Those providing direct services to fathers and father figures and their children.

Those overseeing how public, private and nonprofit organizations interact with and support fathers.

Target Outcome

Improve the quality of father-child interactions and relationships

Improve the understanding and effectiveness with which providers serve the needs of fathers and father figures.

Improve policies and practices guiding how public, private and nonprofit organizations serve the needs of fathers and father figures.

Fathers Corps Programs



System Building

Fathers Corps aims to establish a father-friendly system of care by implementing the Father-Friendly Principles and coordinating the Interagency Fatherhood Workgroup.



Capacity Building

Fathers Corps provides tailored training opportunities for programs and providers, enhancing awareness of fathers' needs and challenges through learning communities and individual trainings.



Father Engagement and Support:

Fathers Corps funds father-specific parenting education and support groups for community-based organizations. Additionally, Fathers Corps hosts fatherhood summits, and "Dad-scussion" sessions, a monthly support group.

RE-SHAPING THE NARRATIVE

Program Impact Findings





Impact Findings: Fathers/Father Figures

✓ The principal Fathers Corps activity for fathers are **support group sessions** which are monthly gatherings where fathers engage in discussions on topics either initiated by participants or introduced by facilitators. Some notable impacts of these sessions according to a survey of fathers include:

89% reported improved interactions with their children due to participating in support groups

81% reported being able to apply new parenting practices

78% reported a boost in confidence in their fathering

67% reported expanding their networks of social support





Impact Findings: Service Providers



Service providers were primarily impacted through their participation in **training workshops** on an array of topics related to fathers. Some of the most salient impacts they reported for their organizations are, they:

- 73%** Made fatherhood issues part of their strategic planning efforts
- 69%** Sought or obtained funding to support providing programs or services to fathers
- 56%** Sought greater participation of fathers in their programs
- 48%** Added requirements to serve fathers to RFPs and contracts
- 46%** Modified existing programs to better serve fathers
- 46%** Used new approaches to recruit and retain fathers
- 44%** Added new services specifically for fathers





Impact Findings: Father-Serving Systems

✓ Systems leaders were impacted through their or their staff's participation in **training workshops and other support activities**. They reported the following impacts on their organization:

65% Helped make staff more effective in communicating with and engaging with fathers

60% Led them to make fatherhood issues part of their organizations' strategic plans

55% Saw greater participation of fathers in organization programs

40% Sought or obtained funding to provide programs and services for fathers

40% Planning to offer new services or programs for fathers



Recommendations

For Program Improvement





Recommendations: Fathers/Father Figures



Improve Father Recruitment. To serve more fathers, particularly young fathers, expand recruitment efforts to include a broader array of community outreach activities such as barbecues, car shows, motorcycle meetups, and other community events, as well as advertising through billboards and bus stop signs.



Offer more one-on-one sessions of individualized support. Provide fathers with more one-on-one sessions with program staff. In the evaluation literature, programs offering individualized support and services tended to report better outcomes.




Provide fathers more referrals to services. Fathers participating in FC programs desired a greater level of referrals to supportive services is made available to them. Service providers also sought more training in how to provide such referrals.





Help fathers establish legal parenting time agreements. According to the fatherhood evaluation literature, securing access to their children is one of the primary types of support sought by fathers and one of the most critical ways to keep fathers engaged in program activities over time.



Recommendations: Service Providers

 **Create a series of workshops that build on each other over time to produce a comprehensive learning experience.** This was the highest-rated recommendation among service providers.

 **Create a comprehensive directory of fatherhood services across Alameda County:** The need for a comprehensive directory of fatherhood services across Alameda County was strongly endorsed by both service providers and systems leaders.

 **Reintroduce a male-specific learning community:** Recreating a separate male-only learning community, an idea supported by 49% of surveyed service providers, would provide a safe and constructive space to discuss certain issues specific to male providers serving fathers.





Recommendations: Father-Serving Systems



Facilitate team training, internal team development, and ongoing advising to implement Father-Friendly Principles in public systems: Translating Father-Friendly Principles into actual organizational practice requires greater support, including comprehensive training to help teams internalize and deeply understand the principles and their implications along with strategic advising and coaching for dedicated internal teams.



Offer training and coaching to service provider champions: Provide support to individual service provider champions who advocate for the adoption of Father-Friendly Principles within their organizations.



Establish a partnership with child support services to pilot a program that reduces child support arrears in exchange for completing key milestones in Fathers Corps programs: Such a program partnership could produce strong incentives for program participation and yield positive benefits for children as a result.



Collaborate with community colleges and other educational institutions to integrate content related to serving fathers into certification programs for practitioners: Roughly half of service providers and systems leaders endorsed the idea of working with community colleges to incorporate father-serving content into certification programs for family service providers.

 ForwardChange

FIRST 5
 **ALAMEDA COUNTY**



SUPPORTING FATHER INVOLVEMENT AND SUCCESS:

An Evaluation of the Fathers Corps Program of First 5 Alameda County

Prepared for First 5 Alameda County
By Forward Change
Arnold Chandler, President
April, 2024





Executive Summary

Established in 2013, the Alameda County Fathers Corps (Fathers Corps) is a cross-systems collaboration of Alameda County's Health Care Services Agency, Social Services Agency, Department of Child Support Services, Department of Probation, and led by First 5 Alameda County. Fathers Corps works to create a father-friendly system of care for families by building the capacity of service providers to effectively see, serve, and support fathers and father-figures. This program focuses specifically on creating father-specific and father-centered services that improve the parenting skills of fathers and father-figures, specifically low-income fathers of color not residing with their young children (0-5). Over its first decade, the Fathers Corps has demonstrated a promising and impactful approach to directly supporting fathers while also facilitating systemic changes that can benefit fathers and their children throughout Alameda County.

The Fathers Corps concentrates efforts in three strategic areas:



System Building

Fathers Corps aims to establish a father-friendly system of care by implementing the Father-Friendly Principles and coordinating the Interagency Fatherhood Workgroup.



Capacity Building

Fathers Corps provides tailored training opportunities for programs and providers, enhancing awareness of fathers' needs and challenges through learning communities and individual trainings.



Father Engagement and Support

Fathers Corps funds father-specific parenting education and support groups for community-based organizations. Additionally, Fathers Corps hosts fatherhood summits, and "Dad-scussion" sessions, a monthly support group.

RE-SHAPING THE NARRATIVE

Throughout all efforts, the Fathers Corps strives to reshape the narrative surrounding fathers, especially those from Black and Brown communities, ensuring they are seen, served, and supported respectfully.



Purpose of the Evaluation

The purpose of this evaluation, conducted between February 2023 and January 2024 at the 10-year anniversary of the program, was to document its history and assess the impact of program activities on fathers/father figures, service providers, and broader public systems. Three primary questions guided the evaluation:

- 1 What effect has Fathers Corps had on fathers and father figures participating in its program activities?
- 2 How has Fathers Corps influenced service providers who work directly with fathers, including observed changes in organizational practices towards fathers?
- 3 What impact has Fathers Corps made on service delivery to fathers by public, private, and nonprofit organizations, according to leaders of those groups?

Methods of data collection included document review, analysis of historical program surveys, key informant interviews, a focus group held with fathers, and an evaluation survey. Workshops with key stakeholders who participated and funded the program were involved in reviewing and discussing the findings.

The evaluation findings are based on the following data collection methods:

- 18 semi-structured interviews with Fathers Corps staff, service providers and systems leaders
- One focus group with six fathers who participated in Fathers Corps program activities
- 142 respondents to an evaluation survey that included 60 father program participants



Key Findings for Fathers

The principal activity for fathers within Fathers Corps consisted of participating in father support group sessions. These monthly gatherings provided a forum for fathers to engage in discussions on topics either initiated by participants or introduced by facilitators. **Key findings revealed that nearly 90% of fathers reported improved interactions with their children due to participating in support groups. More than 80% learned and applied new parenting practices, and 67% expanded their social support networks.** Additional impacts for fathers are available in the full report.



Key Findings for Service Providers

Service providers were primarily impacted by Fathers Corps through their participation in training workshops on an array of topics related to fathers. They included participants from 36 organizations throughout Alameda County that represent a large segment of the human services infrastructure including five county agencies, three city agencies, three school districts, 17 community-based organizations and eight healthcare organizations. Several important Fathers Corps impacts were noted by this group.

- Service providers noted various organizational impacts observed following their staff's participation in training workshops. They included, among others, making fatherhood issues part of their organizations' strategic planning efforts (73%), seeking or obtaining funding to provide services to fathers (69%), seeking greater participation of fathers in their programs (56%), creating accountability requirements for better serving fathers (58%), adding requirements to serve fathers to Requests for Proposals (RFPs) and contracts (48%).
- Service providers also reported modifications to their organization's existing programs that are attributable to their participation in Fathers Corps. Some of the most salient changes included modifying existing program content to better serve fathers (46%), using new approaches to recruit and retain fathers (46%), and adding new services specifically for fathers (44%).
- New programs and services were also introduced as a result of participation by service providers in Fathers Corps workshops. Some of these included offering workshops (50%) and support groups (42%) for fathers, as well as providing legal assistance to fathers (31%), and offering co-parenting groups (23%).



Key Findings for Systems Leaders

Systems leaders were impacted by Fathers Corps through their or their staff's participation in training workshops and other support activities. Twenty systems leaders reported on the impacts of these activities for their organizations.

- **Several important organizational changes took place following staff participation in Fathers Corps program activities**, including helping make staff more effective in communicating and engaging with fathers (65%), making fatherhood issues part of their organizations' strategic plans (60%), and greater participation of fathers in their organizations' programs (55%).

- **Systems leaders, particularly at large public agencies, noted important changes** that included adding requirements to serve fathers to Requests For Proposals and contracts (43%), allocating new funding to programs serving fathers (43%), and creating accountability requirements and measures related to better serving fathers (43%).



Recommendations for Better Serving Fathers

Several recommendations for more effectively serving fathers emerged from interviews, the focus group, the evaluation survey, and a synthesis of the research literature:

- **Improve Father Recruitment:** While word-of-mouth remains a crucial recruitment strategy, fathers strongly recommended significantly expanding marketing and recruitment efforts to reach more fathers who could benefit from Fathers Corps programs, especially fathers with children younger than 5 which comprised about a quarter (26%) of evaluation survey respondents. Suggested outreach activities include community events such as barbecues, car shows, and motorcycle meetups, as well as advertising through billboards and bus stop signs.
- **Offer more one-on-one sessions of individualized support:** Roughly two-thirds (65%) of fathers participating in support groups indicated that they would like to have more one-on-one sessions with program staff. In the evaluation literature, programs offering individualized support and services tended to report better outcomes.
- **Expand Referrals to Services:** A large majority of surveyed fathers agreed that receiving additional services beyond support group participation was important to them. However, less than half (45%) felt that sufficient information about supportive services was made available. Furthermore, 40% of service providers endorsed creating a workshop on effectively referring fathers to community resources.
- **Assist in Establishing Legal Parenting Time Agreements:** Evaluation literature suggests that helping fathers secure court-ordered parenting time agreements, although not widely implemented in fatherhood programs, addresses a major issue that often leads fathers to drop out: lack of access to their children. Supporting fathers in securing these agreements would likely require providing pro bono or cost-effective legal services to aid in negotiating the terms of the agreements.



Recommendations for Supporting Service Providers and Systems Leaders

Based on survey responses and key informant interviews, a handful of recommendations emerged for improving Fathers Corps to better equip service providers and system leaders to support fathers.

- **Develop a comprehensive, integrated series of workshops:** Service providers surveyed highly ranked the creation of a workshop series that builds upon itself over time, providing a comprehensive learning experience. Designing an integrated curriculum that progressively covers key topics would enhance the effectiveness of training workshops.
- **Compile a comprehensive directory of fatherhood services in Alameda County:** Both service providers (62%) and systems leaders (45%) strongly endorsed the suggestion to create a comprehensive directory of fatherhood services across the county. This centralized resource would facilitate better referrals and coordination of services for fathers seeking support.
- **Reestablish a male-specific learning community:** Recreating a separate male-only learning community, an idea supported by 49% of surveyed service providers and a flagship activity implemented in the early years of the Fathers Corps, would provide a safe and constructive space to discuss certain issues specific to male providers serving fathers.



Policy and System Building Recommendations

Interviews, the evaluation survey, and the research literature yielded several policy and system-building opportunities. The most prominent include:

- **Facilitate team training, internal team development, and ongoing advising to implement Father-Friendly Principles:** Translating Father-Friendly Principles into actual organizational practice presents a challenge that should be addressed. The Fathers Corps can support the adoption of these principles by providing comprehensive training to help teams internalize and deeply understand the principles and their implications. Additionally, offering strategic advising and coaching to dedicated internal teams can assist in translating these concepts into internal systems practice.
- **Offer training and coaching to service provider champions:** In addition to assisting executive sponsors and internal teams, supporting individual service provider champions who advocate for the adoption of Father-Friendly Principles within their organizations has been identified as a promising opportunity.

- **Establish a partnership with child support services to pilot a program that reduces child support arrears in exchange for completing key milestones in Fathers Corps programs:** Such a program partnership could produce strong incentives for program participation and yield positive benefits for children as a result.
- **Collaborate with community colleges and other educational institutions to integrate content related to serving fathers into certification programs for practitioners:** When surveyed, 45% of service providers and systems leaders endorsed the idea of working with community colleges to incorporate father-serving content into certification programs for family service providers.

This evaluation marks the 10-year anniversary of the Alameda County Fathers Corps, reflecting on the history, progress and programmatic accomplishments, collaborative partnerships with diverse system agencies and community-based organizations, impacts on the target audiences, and insights gained along the way.

The findings and recommendations of this evaluation emphasize the importance of continuing system building efforts, expanding and refining program activities, securing additional funding to strengthen infrastructure and opportunities, and the importance of developing father-focused programming and policies at the local, state, and national levels to effectively see, serve, and support fathers and father-figures.



First 5 Association of California and First 5 CA Updates

April 2024

First 5 California Commission: Amy Bernardino-Fabi Appointed

Governor Newsom has appointed Amy Bernardino-Fabi to the seven-member First 5 California Commission. Ms. Bernardino-Fabi is trained as a social worker and is a leader in the early childhood community and an active advocate for Asian American Native Hawaiian Pacific Islander issues. She has been the executive director of Asian Americans for Good Government since 2021. Additionally, she has served as vice chair and commissioner of First 5 Solano County since 2021. The press release on her appointment is available to read [here](#).

First 5 California: Child Health, Education, and Care Summit: Stronger Starts – 25 Years of First 5

First 5 California held their biennial [Child Health, Education, and Care Summit](#) at the Oakland Marriott City Center on March 25-27, 2024. This year's theme was *Stronger Starts: 25 Years of First 5*, representing the shared commitment that all children ages 0 to 5 and their families enjoy the opportunity to thrive in safe, stable, and nurturing relationships and environments necessary to achieve healthy development. Proudly, at the Summit, the First 5 California Commission awarded our Alameda County Fathers Corps initiative the *Champions for Children, Network Partner Award*. The F5 California Network Partner Award is given to local First 5 California organizations who help operationalize and implement First 5's North Star and Audacious Goal in community through advocacy, extra ordinary engagement, direct programming, and media and communications advocacy. In recognition of his leadership, First 5 Alameda County's Kevin Bremond, Program Administrator and Fathers Corps Co-founder, received the award on the agency's behalf and also led a session on *Best Practices for Establishing A Father-Friendly System of Care for Children 0-5*. More than 55 First 5 Alameda County staff joined the sold-out event which included 6 sessions with 58 workshops to choose from throughout the three days.

First 5 Association of California: Whole Child Equity Partnership Funder Briefing

The First 5 Association, The Children's Partnership, and Catalyst California hosted a Whole Child Equity Partnership (WCEP) Funder Briefing at The California Endowment in Oakland on March 27. During the briefing, the California funder community learned about the goals, plans, partnerships, and progress of the Whole Child Equity Partnership, a collaborative focused on coordination of equity-focused prenatal-to-three efforts in California. Context on the Pritzker Children's Initiative was provided by Gerry Cobb, the Initiative's Director, and Mayra Alvarez of The Children's Partnership presented on the current state of babies in California. The briefing also featured a dynamic panel covering WCEP's history, goals, and how far they've come, followed by a lively Q&A session. Avo Makdessian, CEO of the First 5 Association, invited First 5 Alameda to attend the briefing, hear about WCEP's work, and connect with funders. We were the only First 5 invited and we appreciate our inclusion as much of our local implementation work reflected the policies the Whole Child Equity Partnership is advocating for at the state level.



First 5 Association of California: Sponsored Legislation

The First 5 Association of California is sponsoring AB 2982 (Reyes): Prenatal-to-3 work group. This bill would help California move towards more effective, universal, and equity-focused systems and services for infants and toddlers. It would establish a 12-member working group to review current policies and practices at the state and local level related to infants, toddlers, and their families and craft recommendations for improvements. The working group would be responsible for reviewing and creating recommendations that focus on the following: 1) early childhood systems, including the local First 5 infrastructure; 2) system building, including financing, data and the unique needs of children of color; and 3) partnership with state agencies to ensure policy and program alignment. As a member of the First 5 Association of California, First 5 Alameda County is [supporting this bill](#).

First 5 Association of California: Funding Request Champion

Assemblymember Gail Pellerin is championing the Association's one-time \$100 million funding request to ensure that local programs serving California's babies, toddlers, and preschooler stay intact. In a [letter](#) to legislative leaders, Assemblymember Pellerin highlights the declining tobacco tax revenues and the dramatic impact that Proposition 31 (the flavored tobacco ban) has had on First 5 programs across the state. Tobacco tax revenue projections estimate First 5s will need to cut \$133 million in early childhood investments over the next two fiscal years and \$426.8 million in the next five years.

First 5 Center for Children's Policy: Medi-Cal Learning Community

The First 5 Center for Children's Policy has continued to convene local First 5 staff for the Medi-Cal Learning Community (MCLC) series. In March, the MCLC's webinar topic was: *CalAIM and New Benefits Deep Dive: Making Connections to First 5 Priorities*. The group was joined by Jim Hickman of Camden Coalition who highlighted the work with First 5 Alameda County, and Maria Niggle, Executive Director of First 5 Marin County.

First 5 Center for Children's Policy: Child Tax Credit

The First 5 Center for Children's Policy's Jaren Gaither, Senior Policy Research Associate, published a policy brief *As Childhood Poverty Rises, the Child Tax Credit Remains a Crucial Benefit for California's Youngest Children* highlighting the critical importance of economic supports such as the federal child tax credit and California's Young Child Tax Credit. Since 2021, California has experienced a 50 percent increase in the birth to 5 childhood poverty rate with approximately 13.8 percent of children birth to age 5 living in poverty. The policy brief can be read [here](#).



Legislation and Public Policy Updates

April 2024

State Policy

State Legislative Session

The California Legislature introduced 2,124 bills before the February 16th bill introduction deadline. This includes 1,505 bills in the Assembly and 619 in the Senate. Legislative policy committees have until April 26th to consider fiscal bills that were introduced in the same house and until August 31st to pass bills that will head over to the Governor for his review. First 5 Alameda County is tracking more than 85 bills that align with our [2024 Policy Agenda](#). Below are a few that we are closely monitoring.

Bill	Title	Summary	First 5 Alameda County Position
AB 2982 (Reyes)	Prenatal to Three Work group	Would establish a workgroup to create recommendations for a statewide comprehensive, equity-focused prenatal-to-3 system agenda, as specified.	Support (Sponsor: First 5 Association)
AB 2446 (Ortega)	Medi-Cal: Diapers	Would add to the schedule of Medi-Cal benefits diapers for infants or toddlers with certain conditions. It would also establish diapers as a covered benefit for a child greater than 3 years of age with a condition that contributes to incontinence.	Support
AB 2343 (Schiavo)	CalWORKs: childcare programs	Would authorize an administrator of a childcare program providing services during the first and second stages of childcare to provide additional enhanced support and navigation services to those recipients experiencing homelessness, escaping domestic violence, or both.	Watch
AB 2476 (Bonta)	Childcare services: alternative payment programs	Would require the department to ensure that childcare providers are reimbursed at the applicable regional market rate ceiling and require alternative payment programs to provide payment to childcare providers prior to services rendered.	Watch
AB 1808 (Nguyen)	Childcare and development services: eligibility	Would delete that 12-month exception for CalWORKs Stage 1, Stage 2, or Stage 3 programs and would extend to 24-month eligibility.	Watch
AB 274 (Bryan)	CalWORKs: CalFresh: eligibility: income exclusions.	Would exempt any grant, award, scholarship, loan, or fellowship benefit provided to any assistance unit member for educational purposes from consideration as income for purposes of determining CalWORKs eligibility or grant amounts.	Watch



State Budget Outlook

Since the Governor's release of his state budget proposal in January, new revenue estimates from the [Legislative Analyst's Office](#) show a growing budget deficit. The latest estimates show that the budget deficit is close to \$73 billion. State legislative leaders and the Governor agreed on a \$17 billion [early action plan](#) to address the budget shortfall. More accurate estimates will be available for the Governor's May revision of the state budget. The final budget requires Legislative approval by June 15th and Governor's signature by June 30th.

State Advocacy

First 5 Alameda County submitted the following public comment and position letters:

- **Support increased Medi-Cal reimbursement rates for Community Health Workers, Promotoras, and Representatives (CHW/P/R):** Submitted [public comment](#) for a joint hearing on Community Health Workers/Promotoras/Representatives (CHW/P/Rs) on March 12. The comment letter supports raising the Medi-Cal reimbursement rate for CHW/P/Rs using previously allocated, unspent dollars connected to the Medi-Cal benefit.
- **Support [AB 2982 \(Reyes\)-Prenatal to 3 Workgroup](#):** The bill proposes to create a working group to craft state-wide recommendations for prenatal to three-year-olds that is comprehensive and focuses on equity. AB 2982 is a First 5 Association of California sponsored bill. Our letter of support is available [here](#).
- **Support First 5 Association of California's Budget Request:** Wrote to members of the California budget committees urging them to champion the Association's one-time \$100 million funding request to mitigate against the impact of declining tobacco tax revenues and ensure that local programs serving California's babies, toddlers, and preschooler stay intact.
- **Support of Diaper Bank Expansion in California:** Signed-on to a budget request championed by Assemblymember Ortega and Assemblymember Pellerin proposing \$23 million in the 2024-25 State Budget to continue and expand the network of diaper banks in California providing free diapers and wipes to families in need. In the Bay Area, Help A Mother Out (HAMO), is one of the state's existing sites.
- **Support [AB 2446 \(Ortega\)- Medi-Cal Diapers](#):** This bill proposes to add diapers to the schedule of Medi-Cal benefits for infants or toddlers with certain conditions. It would also establish diapers as a covered benefit for a child greater than 3 years of age with a condition that contributes to incontinence.
- **Oppose Budget Cuts to CalWORKs:** Submitted a [comment letter](#) to the State budget committees opposing the Governor's proposed cuts to the CalWORKs program, which total over \$400



million. The proposed cuts completely eliminate the Expanded Subsidized Employment (ESE) Program, the Family Stabilization (FS) Program, and include \$218 million in ongoing cuts to the CalWORKs Single Allocation fund which is used to support our [Alameda County's Early Education Apprentice Program pilot program](#).

Federal Policy

2024 Appropriations

President Biden has signed all twelve spending bills that fund the federal government through the end of the fiscal year on September 30th. The final 2024 budget was completed through a two-part agreement that protected many non-defense federal programs from deep cuts proposed by Republicans. The first part of the package includes full funding for the nutrition program for low-income women, infants, and children, known as WIC. The final package signed hours after the March 22nd deadline includes a \$1 billion increase for child care and early learning programs, including a \$275 million increase for Head Start, and a \$25 million increase for the Low Income Home Energy Assistance Program.

President Biden's Proposed Budget for Fiscal Year 2025

On March 11th, President Biden released a \$7.3 trillion federal budget proposal for Fiscal Year 2025. Highlights of the budget proposal include tax cuts for millions of low- and middle-income families, lower costs of prescription drugs and utility bills, increases to housing vouchers, increased funding for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) program, and expansion of the Child Tax Credit. The President's budget proposal outlines a vision and will require Congress to pass spending bills. A summary of the President's budget proposal is available [here](#).

Improving Child Care Access, Affordability, and Stability in the Child Care and Development Fund

The Office of Child Care, Administration for Children and Families, U.S. Department of Health and Human Services finalized a regulatory rule that makes changes to the Child Care and Development Fund (CCDF). These changes lower child care costs for families participating in CCDF, improve the program's child care provider payment rates and practices, and simplify enrollment in the child care subsidy program. The final rule also includes technical and other changes to improve clarity and program implementation. Key [updates to CCDF](#) include:

- **Reducing costs to families:** The rule limits the amount that families pay to 7 percent of their household income and makes it easier for states to eliminate co-payments for children in households below 150 percent of the poverty level, families that have a child with a disability, and other vulnerable families.
- **Expanding choices for families:** The rule makes it easier for families to find child care that meets their needs.
- **Increase payments to providers:** The rule requires states to make timely payments to child care providers and better cover the cost of providing care, common business practice that will make it easier for child care providers to participate in CCDF and will help stabilize their operations.



- **Cutting red tape:** The rule streamlines processes to make it easier for families to apply for and receive child care assistance if they have already demonstrated eligibility for another benefit program. This also includes making online applications more accessible and allowing more families to start child care assistance right away so that parents don't have to disrupt their employment, training, or education.