



## FIRST 5 ALAMEDA COUNTY COMMISSION MEETING AGENDA

**Thursday, August 21, 2025**  
**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: 840 1912 7075 Passcode: 860028

**Commissioners:**

*Chair:* Cecilia Oregón, *Vice Chair:* Tomás A. Magaña M.D., Clarissa Doutherd, Andrea Ford, Nikki Fortunato Bas, Karina Moreno, Cathy Sandeen, Josh Thurman, Kimi Watkins-Tartt

**Alternates:** George Ayala, Cinthya Muñoz Ramos, Pamela Powell

**1. Call to Order**

Commission Chairperson Cecilia Oregón 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. Approve Commission Meeting Minutes**

Recommended Action: Approve Commission Meeting Minutes from June 5, 2025 and June 23, 2025 meetings

- a. Commission Meeting Minutes June 5, 2025
- b. Commission Special Meeting Minutes June 23, 2025

**4. Communication from Commissioners**

**5. Receive Staff Announcements**

- a. General Staff Announcements
  - i. General Staff Report
  - ii. Measure C Update
- b. Legislation and Public Policy Updates
- c. First 5 California Commission and First 5 Association Updates

**6. Receive Class and Compensation Study Presentation and Approve Updates to the Salary Structure**

Recommended Action: Approve the recommended updates to the First 5 salary structure



**7. Approve Annual Revisions to Governance Policies**

Recommended Action: Approve revisions to the following existing policies:

- a. Financial Policies
  - i. Accounting, Financial Reporting & Auditing
  - ii. Financial Reserves and Goals
  - iii. Administrative Costs
  - iv. Revenue Accounting
  - v. Investments

**8. Approve Fiscal Year 2025-26 Contract Authorizations**

Recommended Action: Approve the Fiscal Year 2025-26 Contract Authorizations

**9. Receive Stanford Center on Early Childhood Presentation**

**10. Adjournment**



## First 5 Alameda County Commission Meeting

June 5, 2025, 9:00 AM – 11:30 AM

Zoom Webinar Meeting ID: 846 2225 9275

Commissioners Present: Chair Cecilia Oregón, Vice Chair Tomás A. Magaña M.D., Clarissa Doutherd, Nikki Fortunato Bas, Karina Moreno, Josh Thurman, Kimi Watkins-Tartt

Not present: Andrea Ford, Cathy Sandeen

First 5 Staff Present: Kristin Spanos, Vanessa Cedeño, Ayano Ogawa, Steve Spiker, Nick Zhou, Lisa Forti

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
<b>1. CALL TO ORDER AND ROLL CALL</b>			
C. Oregón	The Commission meeting was called to order by Chair Oregón who gaveled in at 9:10 AM. Chair Oregón shared that the meeting was being recorded and conducted roll call. Commissioners Oregón, Magaña, Fortunato Bas, Doutherd, Moreno and Thurman stated their names to indicate that they were present for the meeting.	None	None
<b>2. PUBLIC COMMENT</b>			
C. Oregón	There was no public comment.	None	None
<b>3. CONSENT CALENDAR</b>			
C. Oregón	<a href="#">[Attachment]</a> a. Approve Commission Meeting Minutes April 24, 2025 b. Approve Special Commission Meeting Minutes from May 15, 2025 c. Approve the GASB 54 Fund Balance Commitment d. Approve the Resolution to fund the Fiscal Year 2025-26 ACERA 401(h) Account Authorization Chair Oregón asked if there was any public comment before taking a vote to approve. Chair Oregón facilitated the vote to approve the Consent Calendar.	Motion: Katrina Moreno Second: Nikki Fortunato Bas No Abstentions. Motion passed.	None
<b>4. COMMUNICATION FROM COMMISSIONERS</b>			
C. Oregón	None	None	None
<b>5. RECEIVE MAY 29, 2025 EXECUTIVE COMMITTEE REPORT</b>			
C. Oregón	<a href="#">[Attachment]</a> Chair Oregón reported that the Executive Committee met on May 29, 2025. The Committee received general agency updates from the CEO and information on two CEO contract authorizations, approved the Executive Committee meeting minutes from December 5, 2024 and April 17, 2025, and reviewed and approved a FY 2024-25 Contract Authorization. The Committee also reviewed the FY 2025-27 Proposed Budget, FY 2025-35 Long Range Financial Plan, the FY 2025-27 Contract Authorizations, the GASB 54 Fund Balance Commitment, and the FY 2025-26 ACERA 401(h) Account Authorization requiring full Commission approval and recommended that they be brought to the Commission for approval.	None	None

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
<b>6. RECEIVE STAFF ANNOUNCEMENTS</b>			
K. Spanos	<a href="#">[Attachment]</a> a. Receive General Announcements b. Legislation and Public Policy Updates c. First 5 California Commission and First 5 Association Updates Ms. Spanos shared that the Staff Announcements, Legislation and Public Policy Updates, and the First 5 California Commission and First 5 Association Updates were provided as written updates.	Commissioner Watkins-Tart arrived at 9:25 AM.	None
<b>7. FISCAL YEAR 2025-27 PROPOSED BUDGET; FISCAL YEAR 2025-35 PROPOSED LONG RANGE FINANCIAL PLAN; FISCAL YEAR 2025-27 CONTRACT AUTHORIZATIONS; THE MEASURE C CHILD CARE, PRESCHOOL, AND EARLY EDUCATION PROGRAM PLAN AND BUDGET 2025-2030, INCLUDING THE FISCAL YEAR 2025-26 ANNUAL EXPENDITURE PLAN; AND THE FIRST 5 ALAMEDA COUNTY REVISED FISCAL YEAR 2022-27 STRATEGIC PLAN</b>			
K. Spanos V. Cedeño A. Ogawa S. Spiker N. Zhou L. Forti	<a href="#">[Attachment]</a> Ms. Spanos, Ms. Cedeño, Ms. Ogawa, Mr. Spiker, Mr. Zhou and Ms. Forti presented Items 7a, 7b, 7d, and 7e: the FY 2025-27 Proposed Budget, FY 2025-35 Proposed Long Range Financial Plan, Measure C Child Care, Preschool and Early Education Program Plan and Budget 2025-2030, including the FY 2025-26 Annual Expenditure Plan, and the First 5 Alameda County Revised FY 2022-27 Strategic Plan. Chair Oregón asked if there was public comment before taking a vote to approve. There were five in-person public comments from: Kym Johnson, Eileen Crumm, Nancy Harvey, Priya Jagannathan and Robert Williams. There were three virtual public comment from: Lisa Zarodney, Shruti Agarwal and Sky Woo. Chair Oregón facilitated the vote to approve the FY 2025-27 Proposed Budget; FY 2025-35 Proposed Long Range Financial Plan; the Measure C Child Care, Preschool and Early Education Program Plan and Budget 2025-2030, including the FY 2025-26 Annual Expenditure Plan, and to submit it to the Alameda County Board of Supervisors for approval and appropriation of funds; and the First 5 Alameda County Revised FY 2022-27 Strategic Plan.	Motion: Tomás Magaña Second: Nikki Fortunato Bas No Abstentions. Motion passed.	First 5 Alameda County will submit the Measure C Child Care, Preschool and Early Education Program Plan and Budget 2025-2030, including the FY 2025-26 Annual Expenditure Plan, to the Alameda County Board of Supervisors for approval and appropriation of Measure C funds.
N. Zhou	Mr. Zhou presented Item 7c: FY 2025-27 Contract Authorizations. Chair Oregón publicly noted individual Commissioners' recusals from voting on specific contracts. Chair Oregón asked if there was any public comment before taking a vote to approve. Chair Oregón facilitated the vote to approve Fiscal Year 2025-27 Contract Authorizations. * Chair Oregón recused herself from voting on contract number 33 - Vice Chair Magaña recused himself from voting on contracts number 7, 41, 54, 58 and 68 - Commissioner Moreno recused herself from voting on contracts number 1 and 27 - Commissioner Doutherd recused herself from voting on contracts number 7, 10, 11, 12, 13, 14, 18, 19, 20, 23, 24, 25, 26, 27, 35, 36, 47, 48, 49, 51, 52, 54, 55, 59, 60, 61, 65, 66, 70 and 72 - Commissioner Ford (not present) was noted as recused from voting on contract number 58 - Commissioner Watkins-Tartt recused herself from voting on contract number 57	Motion: Nikki Fortunato Bas Second: Josh Thurman Recusals on specific contracts were publicly noted for Commissioners Oregón, Magaña, Moreno, Doutherd, Watkins-Tartt, and Ford. Motion passed with the recusals noted.	None

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
8. ADJOURNMENT			
C. Oregón	Chair Oregón gaveled out and adjourned the meeting at 11:13 AM.	None	None

Respectfully Submitted By: Julia Otani, Executive Assistant



# First 5 Alameda County Commission Special Meeting

June 23, 2025, 9:00 AM – 10:30 AM

Zoom Webinar Meeting ID: 859 9224 9597

Commissioners Present: Supervisor Nikki Fortunato Bas, Clarissa Doutherd, Karina Moreno, Cathy Sandeen, Kimi Watkins-Tartt

Alternates Present: Pamela Powell

Not present: Cecilia Oregón, Tomás A. Magaña M.D., Andrea Ford, Josh Thurman

First 5 Staff Present: Kristin Spanos, Vanessa Cedeño Geisner, Cally Martin, Ayano Ogawa, Steve Spiker, Nick Zhou

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
<b>1. CALL TO ORDER AND ROLL CALL</b>			
N. Fortunato Bas	The Commission meeting was called to order by Supervisor Fortunato Bas who gaveled in at 9:18 AM. Supervisor Fortunato Bas shared that the meeting was being recorded and conducted roll call. Commissioners Fortunato Bas, Doutherd, Moreno, Sandeen, and Watkins-Tartt stated their names to indicate that they were present for the meeting.	None	None
<b>2. PUBLIC COMMENT</b>			
N. Fortunato Bas	There was no Public Comment.	None	None
<b>3. APPROVE FISCAL YEAR 2025-26 CONTRACT AUTHORIZATION</b>			
N. Zhou	<a href="#">Attachment</a> Mr. Zhou presented the Fiscal Year 2025-26 Contract Authorization. Supervisor Fortunato Bas asked if there was any public comment before taking a vote to approve. Supervisor Fortunato Bas facilitated the vote to approve the Fiscal Year 2025-26 Contract Authorization.	Motion: Kimi Watkins-Tartt Second: Cathy Sandeen Abstentions: Clarissa Doutherd, Pamela Powell Motion passed.	Alternate Pamela Powell arrived at 9:22 AM.
<b>4. APPROVE MEASURE C EARLY CARE AND EDUCATION (ECE) EMERGENCY GRANTS CONTRACT AUTHORIZATIONS</b>			
N. Zhou	<a href="#">Attachment</a> Mr. Zhou presented the Measure C Early Care and Education (ECE) Emergency Grants Contract Authorizations. Supervisor Fortunato Bas asked if there was any public comment before taking a vote to approve. Supervisor Fortunato Bas facilitated the vote to approve the Measure C Early Care and Education (ECE) Emergency Grants Contract Authorizations.	Motion: Kimi Watkins-Tartt Second: Cathy Sandeen No Abstentions. Motion passed.	None
<b>5. ADJOURNMENT</b>			
N. Fortunato Bas	Supervisor Fortunato Bas gaveled out and adjourned the meeting at 9:43 AM.	None	None

Respectfully Submitted By: Julia Otani, Executive Assistant



# Staff Announcements

August 21, 2025



# GENERAL AGENCY ANNOUNCEMENTS



## “Fun in the Sun” All-Staff Summer Picnic

- On August 7, we hosted our annual All-Staff Picnic at Jean Sweeney Park in Alameda. After two years of consistent agency growth, we **now employ a total of 121 staff** who plan, design, implement, and evaluate our local early childhood system building efforts
- The event was a **time to connect and strengthen relationships** amongst staff and **celebrate** all the work accomplished in the past year
- Staff and their families enjoyed the decorations, food, music, and games, especially the face painter, balloon artist, and shaved ice station





## 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



## Alameda County 2025 Fatherhood Summit

- **Registration is officially open!** Help us spread the word
- Taking place on **Saturday, September 27** at the Oakland Marriott
- This year's theme: **Rooted in Fatherhood, Growing in Community** reflects over a decade of work by the Fatherhood Initiative to uplift dads and support family-serving agencies in building more inclusive, father-friendly systems
- Features **20+ interactive workshops**, inspiring speakers, a job fair, and lots of resources and opportunities for connection and learning



# PEOPLE



## Help Me Grow

- **Alameda Alliance for Health awards Help Me Grow with a Quality Grant**
  - Alliance will provide up to **\$1.1 million** in grant funding for **FY 2025-2026**
  - First 5 and Alliance are collaborating on a deliverables-based MOU
- **Help Me Grow is active in the community this summer!**
  - Participating in **15 outreach events** across the county between June-August
    - Including:
      - WIC Pregnancy Day
      - EBAC's Central Family Resource Center/OUSD Resource Fair
      - Safe Kids Day Health & Wellness Fair
    - Estimated reach: **Over 1,500 families and caregivers**



## Lactation Supports

- **The B.L.A.C.K. Course held an advanced, 50hr Training Cohort June 11-13, 2025**
  - First 5 sponsored **25 individuals** to participate in the training, which provided the opportunity to **earn 50 Continuing Education Recognition Points (CERPs)** toward International Board of Lactation Consultant (IBCLC) certification

# PEOPLE



## Professional Learning Community for Trauma Responsive Early Childhood Professionals

- **Hosted 5 trainings** with **20+ participants** from family-serving agencies including Head Start, Neighborhoods Ready For School grantees, and other community-based organizations
- The PLC trainings, led by trainer Shawn M Bryant, offered the **opportunity to reflect on and strengthen trauma responsive practices**
- The PLC is part of the Training Initiative's broader **strategy to provide training and professional development opportunities** for Early Care and Education professionals and those working to provide direct services to families





# PLACE

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

# PLACE



## Backpack & School Supply Distribution

- **More than 35 partner organizations** are helping **distribute backpacks** including Neighborhoods Ready for School grantees, school districts, Fatherhood grantees, 4Cs, BANANAS, Hively, and more
- **More than 8,000 backpacks** containing supplies like pencils, safety scissors, a book, dental kit, and more will be distributed this year. These supplies help prepare children to enter kindergarten



# PLACE



## Neighborhoods Ready for Schools

- **Roots Community Health Center's Parker Community Center** site staff hosted our July All Staff Meeting. Roots Program Manager Monikkia White provided an overview for First 5 staff on their 0-5 programming, including Neighborhood Empowerment Days and satellite ECE courses offered by Merritt College
- NRFS sites are **working with Training @ First 5 to plan workshops for staff and parents for the 2025-26 year**. Each offering is customized based on feedback and requests from sites' staff and parents in areas such as parent advocacy; effective community engagement; and trauma and resilience
  - Last year, **34 workshops** were provided to staff and parents at NRFS sites.





First5Alameda.org

## 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



## **Federal and State Policy Advocacy Highlights**

- Conducted a preliminary analysis on the impact of the budget reconciliation bill, H.R. 1
- Submitted a public comment urging HHS to withdraw the notice on the PRWORA Reinterpretation excluding immigrants from Head Start and other vital community programs
- Analyzed the FY25-26 state budget agreement for impacts to the ECE systems
- Continuing to monitor and submit positions letters on legislation making its way through the State Legislature



## **Alameda County Local Planning Council—Steering Committee**

- Provided a formal presentation on the adopted Measure C 5-Year Plan
- Presented updates on H.R.1 and the FY25-26 state budget agreement

# POLICY



## Measure C Presentation

- **Measure C 5-Year Plan and initial investments presentation to SEIU Local 521 members**
- The presentation reviewed:
  - First 5's role as the local early childhood system
  - Measure C, including:
    - Goals of the 5-Year Plan
    - Year 1 and Year 2 investments
    - Information on how family child care providers can apply for the Measure C ECE Emergency Grants





# First 5 Alameda County Commission

August 21, 2025

AGENDA ITEM 5a ii

## Measure C Update



# Updates

## Measure C and First 5 Happenings

ECE Emergency Grants


Procurement Timeline

Apprenticeship Investments & EEAP Evaluation

Elected Officials Engagement

Save-the-Date: 9/18 CAC Meeting & 9/19 *Make a Circle* Screening





# MEASURE C ECE Emergency Grants

*Data in this slide deck were extracted on August 19, 2025.*

[first5alameda.org](https://first5alameda.org) | 3

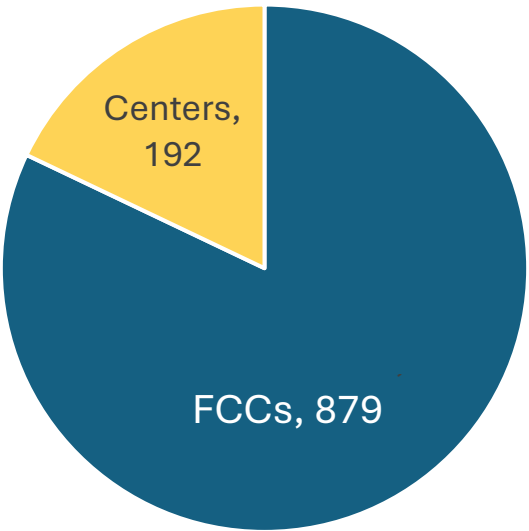


# ECE Emergency Grants

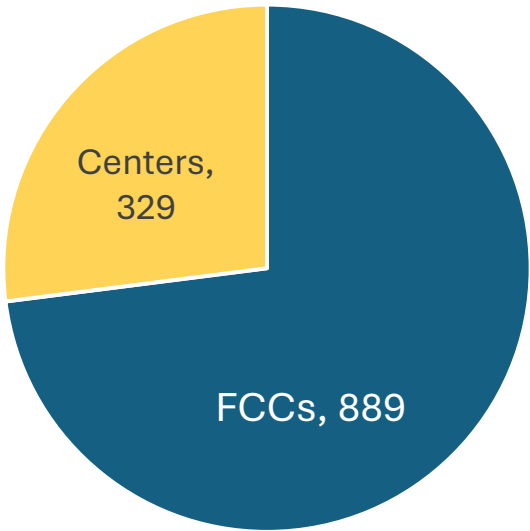
## Applications & Sites (FCC and Center)

Data were extracted on August 19, 2025.

Applications by Type



Sites by Type



# ECE Emergency Grants

Processing stages – as of August 19



*\* Eligible applicants complete data entry that is verified by First 5  
Data were extracted on August 19, 2025.*

# ECE Emergency Grants

## Impact Estimates – as of August 19

*Data were extracted on August 19, 2025.*



# \$40M

Grant amount estimated  
for current, eligible  
applications



# 3,357

Educators receiving  
stipends

# Supervisory District Stats

update

	District 1	District 2	District 3	District 4	District 5
<i># Estimated sites eligible</i>	207	275	311	377	265
# FCCs Applied	153	185	177	239	99
# Centers Applied	72	56	71	56	64
Est Grant Amount Total for Eligible Applications	\$5.2M	\$7.0M	\$9.2M	\$10.0M	\$6.9M

Data were extracted on August 19, 2025.

# Sites by City/Place

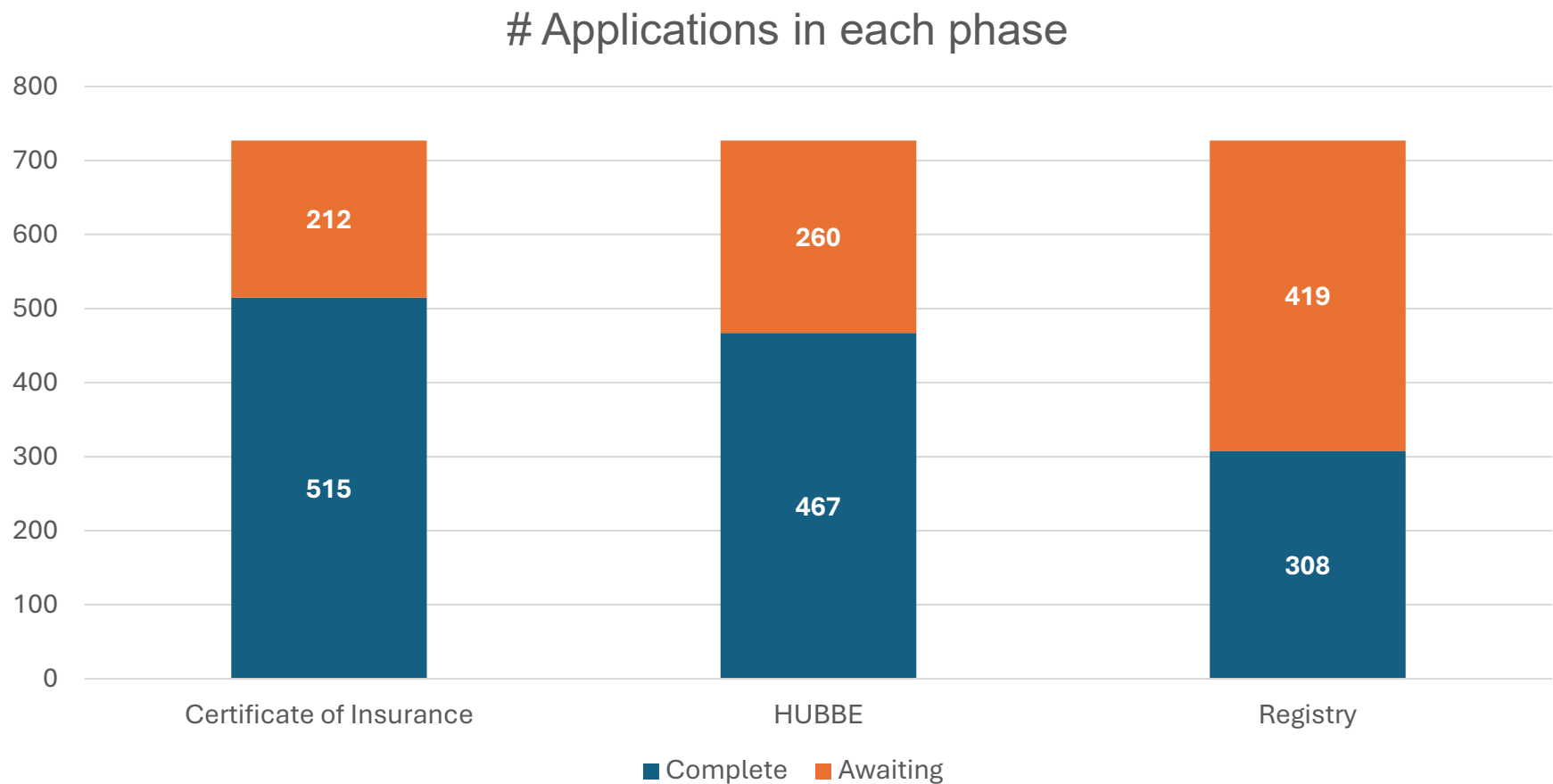
City/Place	# Sites Applying	# Estimated Eligible Sites	City/Place	# Sites Applying	# Estimated Eligible Sites
Alameda	56	78	Livermore	47	44
Albany	12	12	Newark	32	24
Berkeley	72	113	Oakland	334	447
Castro Valley*	44	69	Piedmont	1	0
Dublin	63	47	Pleasanton	32	41
Emeryville	8	18	San Leandro	80	96
Fremont	154	157	San Lorenzo*	39	36
Hayward	152	195	Union City	55	53

*\*Census designated place*

*Data were extracted on August 19, 2025.*

# ECE Emergency Grants

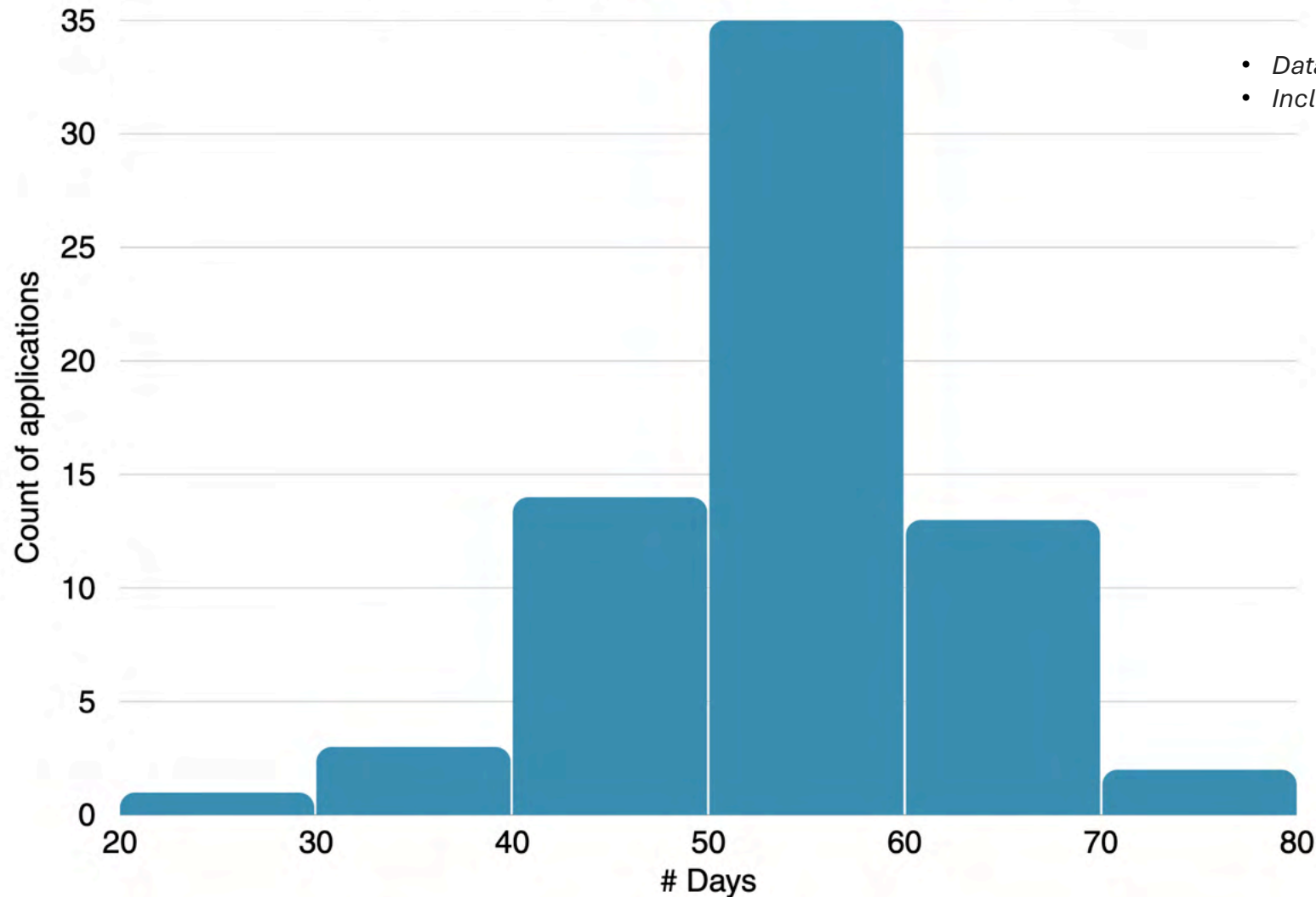
## Data Collection Stage (8/14/2025)



Data were extracted on August 14, 2025.

# Processing Velocity

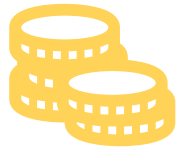
# Days from Application to Check Printing



- Data extracted 8/13/2025
- Includes Pilot cohort open May 19th

# Facilities Funding Interest

update



**556**

**Applications  
with facilities  
funding interest**



**234**

**Applicants offer  
nontraditional  
hours of care  
to families**



**300**

**Serve children  
with special  
needs**



**331**

**Applications  
facing closure  
or reduced  
enrollment**



**520**

**Would use funding  
to add or preserve  
infant/toddler spaces**

# Provider Outreach & Support

## Outreach Efforts:

- ▶ Email Blasts & Postcards
- ▶ Partner Outreach & Presentations
- ▶ Direct Phone Outreach

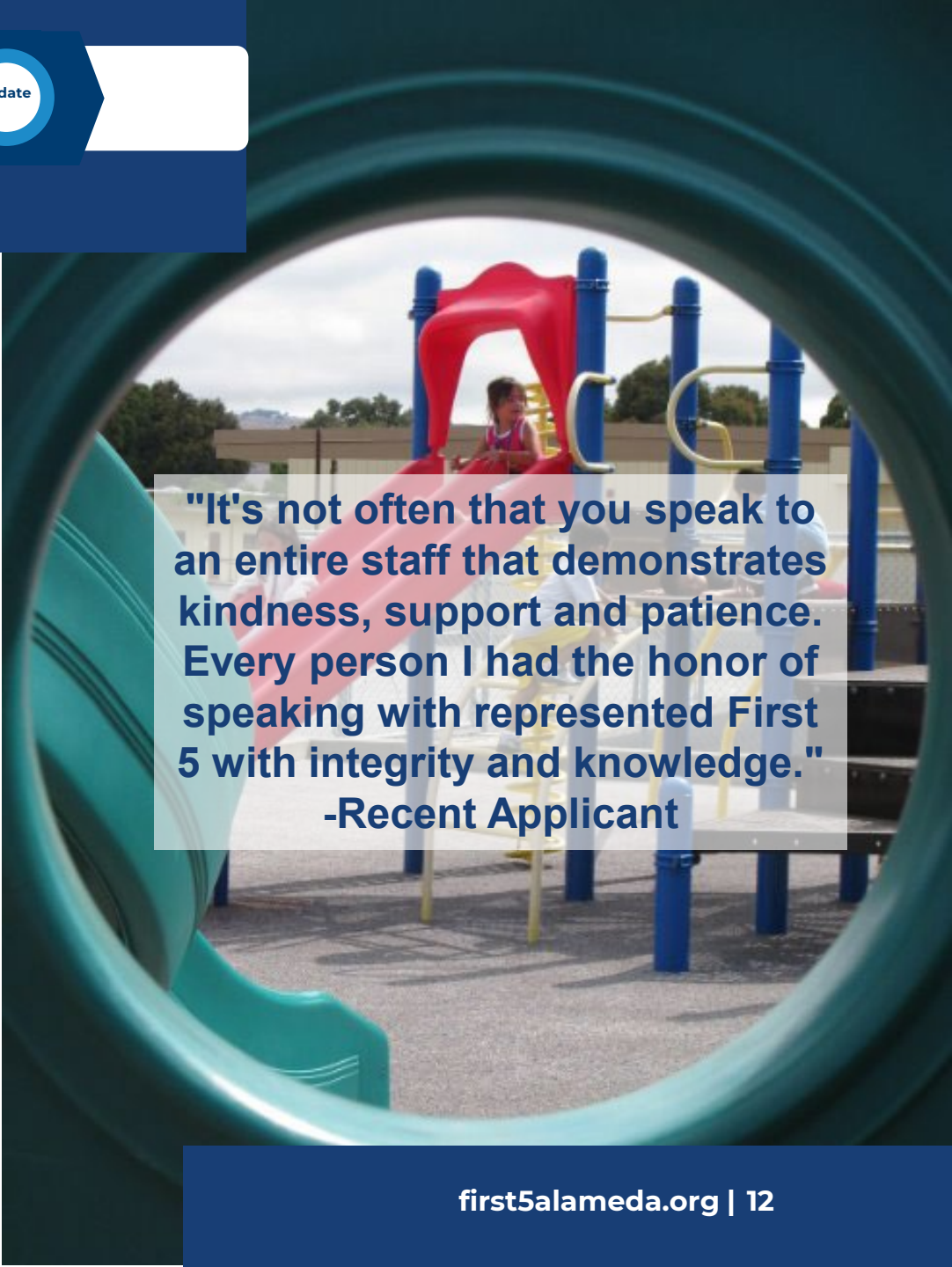
## Technical Assistance:

- ▶ 1,400 requests for technical assistance in 4 languages
- ▶ Top request types: Insurance, Hubbe, Workforce Registry
- ▶ 80% of requests resolved to-date

## Lessons Learned:

- ▶ Application is easy to complete and pre-approval process reduces burden on ineligible providers
- ▶ 4-6 weeks to meet documentation requirements, including submission, verification, and correction
- ▶ Varying levels of TA needed, particularly for new systems

update



**"It's not often that you speak to an entire staff that demonstrates kindness, support and patience. Every person I had the honor of speaking with represented First 5 with integrity and knowledge."  
-Recent Applicant**

# Procurement Timeline

## MEASURE C PROCUREMENT - UPCOMING AUGUST 2025



*Based on the Measure C 5-Year Plan, the following upcoming procurements and funding opportunities are expected, with timing and details subject to change throughout the implementation period.*

GOAL	INVESTMENT	AWARD AMOUNT	PROCUREMENT BEGINS	CONTRACT(S) AWARDED	FUNDS RELEASED TO COMMUNITY
GOAL 1	FAMILY, FRIEND, AND NEIGHBOR (FFN) SUBSIDIZED CHILD CARE VOUCHERS (1A)	~\$15M annually	November 2025	January 2026	Early 2026
	MEASURE C SUBSIDIZED CHILD CARE SLOTS (1B) YEAR 2	~\$35M annually	January 2026	Spring 2026	Summer 2026
	FAMILY RESOURCE CENTER & SHELTER GRANTS (1D)	~\$5M annually	September 2025	Early 2026	Early 2026
	COORDINATED ELIGIBILITY AND ENROLLMENT SOFTWARE DEVELOPMENT (1E)	TBD	September 2025	October 2025	N/A
GOAL 2	WAGE FLOOR AND OPERATING GRANTS (2B) YEAR 2	~\$50M annually	January 2026	Spring 2026	Summer 2026
	PROVIDER EMERGENCY REVOLVING FUND (2C)	~\$10M annually	September 2025	October 2025	Early 2026
GOAL 4	DATA WAREHOUSE (4C)	TBD	October 2025	December 2025	N/A

# ECE Apprenticeship

# Apprenticeship

update

## Year 1 Planned Investments

- ▶ Invest in existing ECE Registered Apprenticeship Programs to increase access to the field or to support ECE educators in advancing in their careers.

## Progress:

- ▶ Finalizing contract with Early Care & Education Pathways to Success (ECEPTS) to support 6 existing Registered Apprenticeship Programs in Alameda County.

## Early Educator Apprentice Program (EEAP) Graduation

- ▶ In July, 80 graduates celebrated receiving BA or AA degrees or other educational milestones.



# Early Educator Apprentice Program (EEAP) Evaluation

Center for the Study of Child Care  
Employment

# SYSTEMS INNOVATION

To address the early educator crisis in Alameda County, the EEAP CalWORKs Pilot program was established in 2019 and uniquely combines funding from both public & private funding structures to cultivate an impactful program model.

**Alameda County Social Services Agency's CalWORKs**  
+  
**First 5 Alameda's Prop 10 & Measure C**  
+  
**Tipping Point Community**

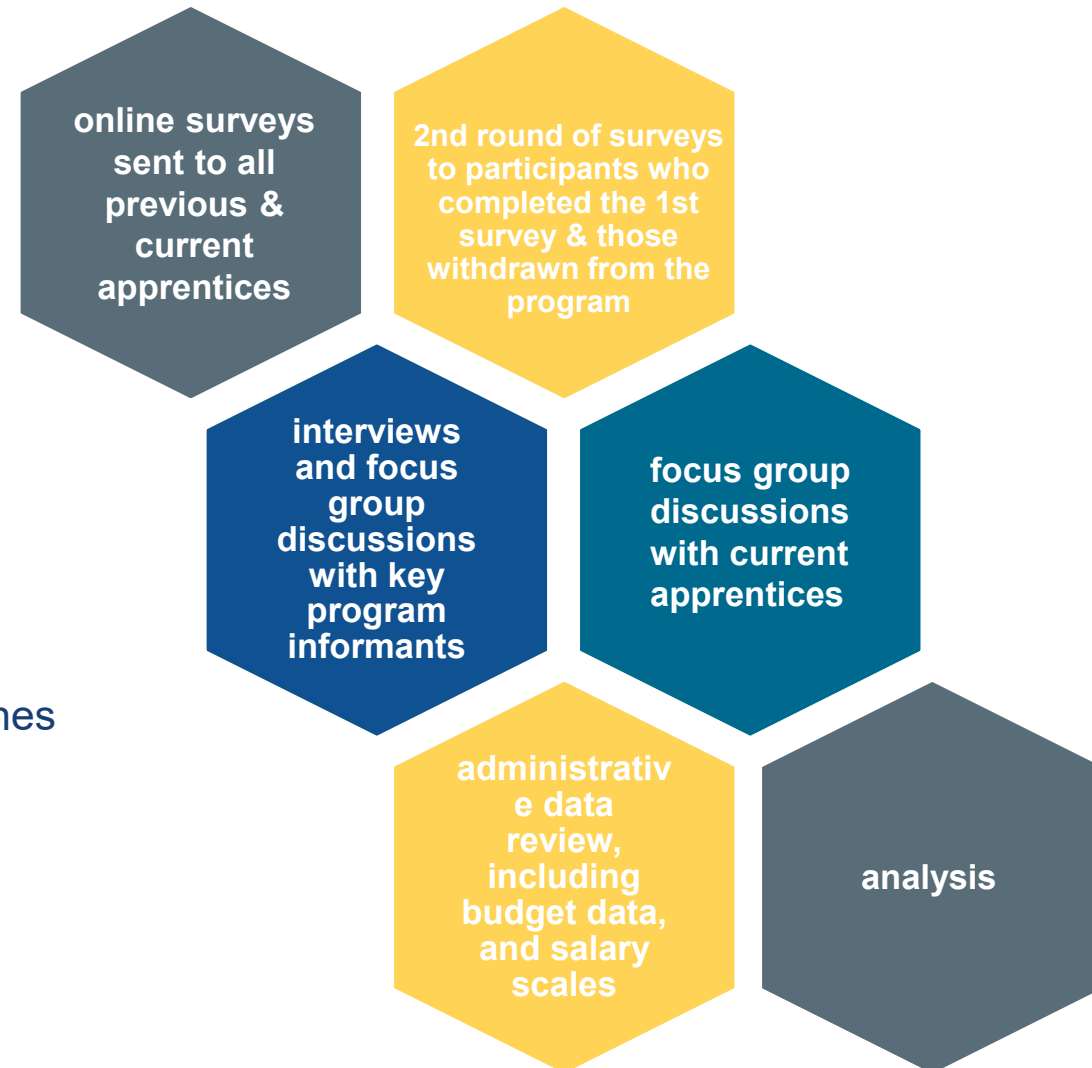
This innovative, cross-sectoral approach enables a double bottom line in program design and the best use of public funds to support public programs.

# EVALUATION OVERVIEW

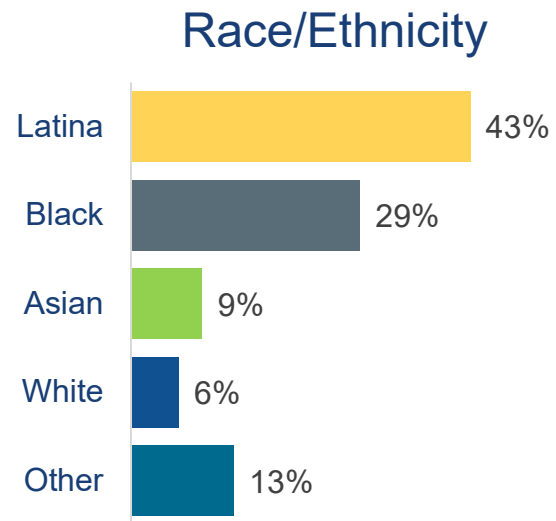
CSCCE conducted an evaluation of the EEAP to explore and assess participants' benefits and challenges and to identify program elements crucial for optimizing the impact of the current program and informing future program models.

## This evaluation examines:

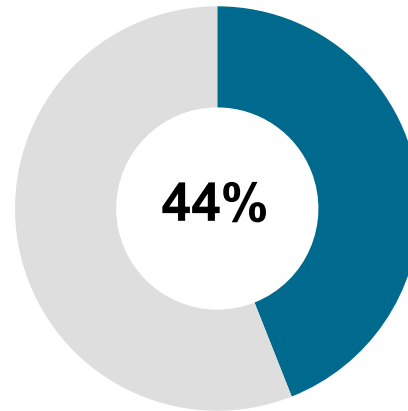
- how participants assess the impact of the program on their knowledge, skills, and day-to-day practice with children,
- participants' economic wellbeing and progress toward their educational goals and career trajectory
- implementation of the program, given the innovative funding structures currently in place, implications for similar approaches and funding models in other locations.



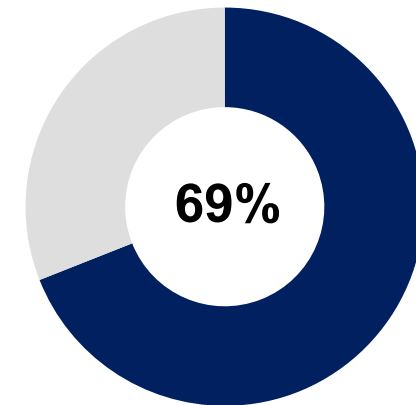
# FINDINGS: Participation



Born Outside the US



Have Children Under 18



- ▶ As of February 2024, **76 percent of past participants completed at least the first tier**, and one half (51 percent) of current apprentices have already completed Tier 1 or 2.
- ▶ **On average, it took just under three years for apprentices to complete the first two tiers of the program, earning two permits and an associate degree.** The time to complete these milestones is similar to or better than students participating in “traditional” higher education programs.

# FINDINGS: Impact on Knowledge & ECE Retention

- ▶ 69% rated the EEAP as “Very Helpful” in developing their knowledge of children’s social-emotional development
- ▶ **The majority of apprentices (83 percent) acknowledged their intention to remain in the ECE field after completing their apprenticeship.**

*“I’m implementing strategies inside the classroom. For example, this semester we’re focusing on literacy and language, so it’s helping me more with children who are dual language learners. I’m able to see from a different perspective how I can better support them. And also, too, with language, different language strategies, reading literacy strategies, it’s helped me.”*

—Current EEAP Apprentice

- ▶ Apprentices also identified positive effects of the program on their parenting and personal relationships. While not the primary purpose of the apprenticeship, this finding reflects the potential impact of the EEAP on multiple generations.

*“It just didn’t change the way I teach, it’s changed me as a person, as a mother.... So it made me a better person today, and I’m still learning every day with the kids and the families. Also [now I am] a big support system for colleagues, peers, children, families, and our own family.”*

—Current EEAP Apprentice

# FINDINGS: Estimated Impact on Wages

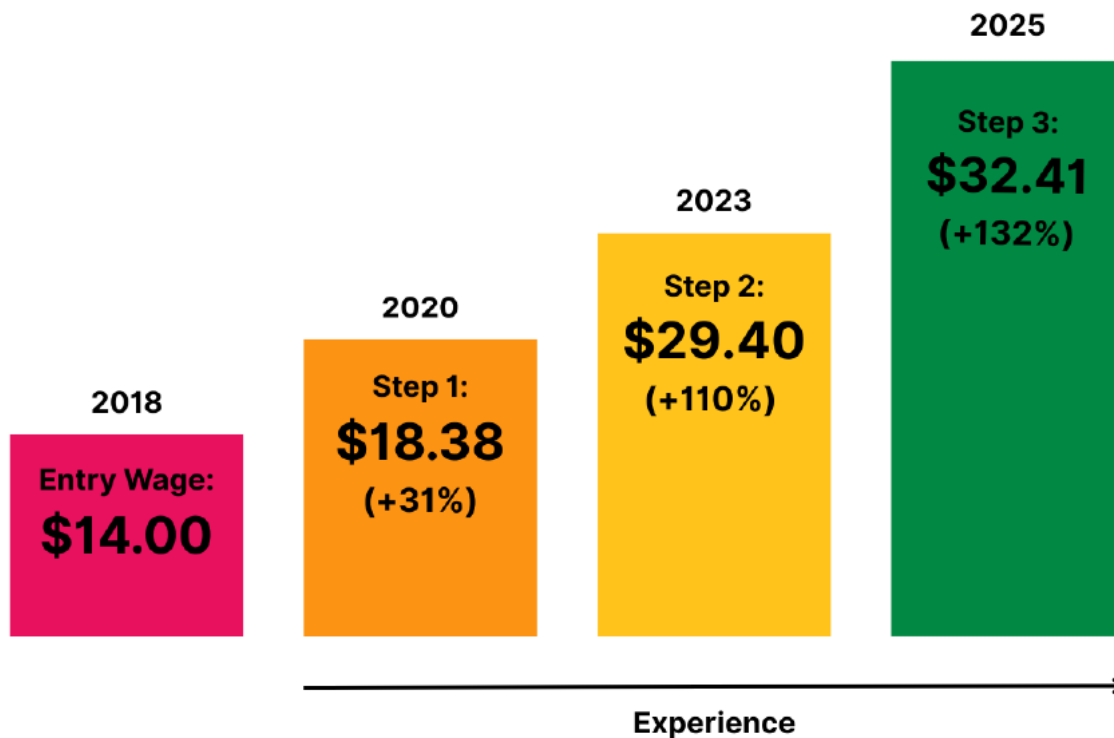
- ▶ Estimated hourly wage increases were between 15 and 70 percent upon the completion of each tier.
- ▶ Participants who complete Tier 3 (assumed to be working as a site supervisor) achieve the largest wage increase (59 percent) compared to the base starting wage at completion of program—five years out they experience an average wage increase of 109% or more.

**Table 9. Participants' Estimated Hourly Wages and Percentage Wage Increases After Completing Apprenticeship Tiers**

	Tier 1 (N=8)	Tier 2 (N=24)	Tier 3 (N=16)
Average hourly entry wage	\$17.48	\$17.80	\$17.69
Step 1: Average hourly wage at completion of tier	\$18.66 (+7%)*	\$24.91 (+40%)	\$28.18 (+59%)
Step 2: Average hourly wage 3 years post-completion**	\$23.53 (+35%)	\$29.57 (+66%)	\$33.40 (+88%)
Step 3: Average hourly wage 5 years post-completion	\$31.82 (+82%)	\$34.44 (+94%)	\$37.04 (+109%)
<b>Living Wages for Alameda County***</b>			
One adult, no children	\$28.55		
One adult, one child	\$53.86		
Two adults (one working), one child	\$47.02		

# Program Costs and Apprentice Earnings

## Expected Wage Increases for Tier 1



Cost per participant averaged \$17,022.

- ▶ According to estimates from CSCCE, apprentices experience positive returns on their educational attainment which may occur at a rate faster than students in traditional degree programs.
- ▶ It takes about 5 years for those completing an associate degree to see the first returns on their investment and an average of 15 years for a bachelor's degree, due to debt accrual.

# RECOMMENDATIONS: Program Development

## 1. Design holistic supports to ensure equitable access and participant success.

- ▶ 3 of the top 4 program elements apprentices indicated as most important to their program completion were related to **financial support, stipends, and higher wages.**
- ▶ 77% of current apprentices supported by CalWORKs indicated that **provision of child care** for their own children was extremely important to their participation

**2. Guarantee adequate financial resources for apprentice supports.** The average annual cost was \$17,022 per apprentice to provide all wrap-around services. Ensure that program budgets are designed to include all the necessary holistic supports.

**3. Establish and maintain a comprehensive data infrastructure** for program- and apprentice-level data to better track completion rates and times, retention of apprentices in the field, and long-term program impacts on apprentices' economic well-being.

# RECOMMENDATIONS: Systems Building

- ▶ **Keep equity at the forefront of the apprenticeship.** EEAP was designed to expand opportunities for CalWORKs recipients by providing comprehensive supports that remove systemic barriers for high-need, non-traditional students. Regularly assess how equity is embedded in the program to ensure it remains central.
- ▶ **Blend and braid funding to meet program costs and wages.** Streamline this process and alleviate bureaucratic burden by blending contracts under one reporting entity.
- ▶ **Champion government, philanthropic, and employer investment to enable ECE apprenticeship expansion.** Apprenticeships require sustained investment from government, philanthropies, and employers over multiple years.
- ▶ **Leverage the success of this local model to continue progress on ECE working conditions.** Address the wage gap in Alameda County with additional funding from Measure C. Set the floor at a living wage so apprentices are rewarded for their preparation and have incentive to remain in the field.



# Elected Officials Engagement

# Engagement with Cities & Federal Delegation



## Progress:

- ▶ Met with City of Oakland Mayor Barbara Lee and Director of Community Engagement La Niece Jones to provide updates on Measure C and Oakland Children's Initiative
- ▶ Met with Emeryville Assistant City Manager Pedro Jimenez and Community Services Director Rebecca Sermenio to discuss Measure C and the Kindergarten Readiness Community Study

## Upcoming Meetings

- ▶ Outreach to city leaders completed
  - ▶ Scheduling meetings
- ▶ Federal Delegation
  - ▶ Congressman Ro Khanna on October 25, 2025
  - ▶ Scheduling meetings with Representatives Swalwell and Simon

## ECE Emergency Grant In-Person Check-Presentations

- ▶ On September 4<sup>th</sup>, we are conducting in-person check presentations with providers in each Supervisorial District.

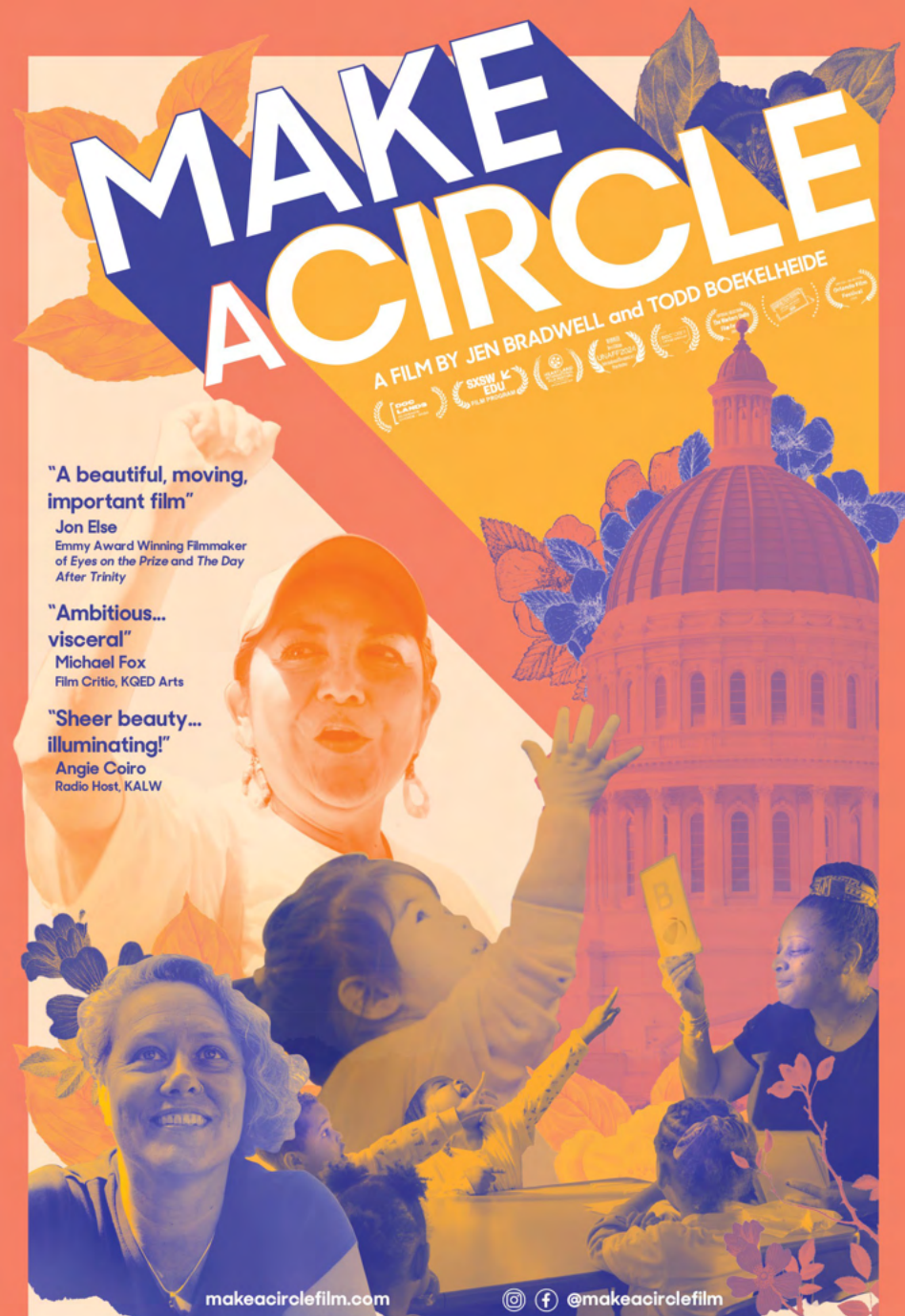


**SAVE THE DATE: 9-18-9/19**  
**MINI NATIONAL SUMMIT**  
**&**  
**MAKE A CIRCLE FILM SCREENING**  
New Parkway Theater in Oakland

Featured panelists for the Sep 18<sup>th</sup> Community Advisory Council meeting:

- ▶ Ingrid X. Mezquita, Executive Director, San Francisco Department of Early Childhood
- ▶ Emmy Liss, Early Childhood Policy Consultant, New America
- ▶ Brooke Chilton Timmons, Leader from Multnomah County, Oregon

On Sep 19<sup>th</sup>, join us for a public showing of the “Make a Circle” documentary featuring a group of early childhood educators, including Alameda County-based providers. The film screening will be followed by a panel discussion with the filmmakers.



## MEASURE C PROCUREMENT - UPCOMING AUGUST 2025



*Based on the Measure C 5-Year Plan, the following upcoming procurements and funding opportunities are expected, with timing and details subject to change throughout the implementation period.*

GOAL	INVESTMENT	AWARD AMOUNT	PROCUREMENT BEGINS	CONTRACT(S) AWARDED	FUNDS RELEASED TO COMMUNITY
GOAL 1	FAMILY, FRIEND, AND NEIGHBOR (FFN) SUBSIDIZED CHILD CARE VOUCHERS (1A)	~\$15M annually	November 2025	January 2026	Early 2026
	MEASURE C SUBSIDIZED CHILD CARE SLOTS (1B) YEAR 2	~\$35M annually	January 2026	Spring 2026	Summer 2026
	FAMILY RESOURCE CENTER & SHELTER GRANTS (1D)	~\$5M annually	September 2025	Early 2026	Early 2026
	COORDINATED ELIGIBILITY AND ENROLLMENT SOFTWARE DEVELOPMENT (1E)	TBD	September 2025	October 2025	N/A
GOAL 2	WAGE FLOOR AND OPERATING GRANTS (2B) YEAR 2	~\$50M annually	January 2026	Spring 2026	Summer 2026
	PROVIDER EMERGENCY REVOLVING FUND (2C)	~\$10M annually	September 2025	October 2025	Early 2026
GOAL 4	DATA WAREHOUSE (4C)	TBD	October 2025	December 2025	N/A

**GOAL 1:** Increasing Access to Child Care Services

**GOAL 2:** Recruiting, Retaining, and Supporting Early Educators

**GOAL 3:** Enhancing Child-Serving Spaces

**GOAL 4:** Accountability and Measuring Impact

## MEASURE C KEY PROGRAMMATIC CONTRACTS

### AUGUST 2025



*In alignment with the Measure C 5-Year Plan, the following key programmatic contracts have been approved by the First 5 Commission and are executed or under negotiation.*

GOAL	INVESTMENT	ENTITY	MEASURE C AMOUNT
GOAL 1	INCLUSION SUPPORTS ENGAGEMENT (1C)	Parent Voices Oakland - Alameda County Early Childhood Policy Committee (ACECPC)	\$150K
	CHILD CARE REFERRAL AND NAVIGATION (1D)	BANANAS, Inc.	\$500K
	CHILD CARE REFERRAL AND NAVIGATION (1D)	Community Child Care Council (4Cs) of Alameda County	\$500K
	CHILD CARE REFERRAL AND NAVIGATION (1D)	Hively	\$500K
	NAVIGATOR NETWORK (1D)	Lotus Bloom	\$100K
GOAL 2	WORKFORCE REGISTRY (2B)	Child Care Alliance of LA	\$150K
	APPRENTICESHIP PROGRAMS (2D)	Early Care & Education Pathways to Success (ECEPTS)	\$2.7M
	WORKFORCE CONDITIONS DATA COLLECTION - SEQUAL STUDY (2D)	Center for the Study of Child Care Employment (CSCCE)	\$224K
	FFN RELIEF GRANTS & HEALTH AND SAFETY EQUIPEMENT (2E)	BANANAS, Inc.	\$2.7M
	FFN RELIEF GRANTS & HEALTH AND SAFETY EQUIPEMENT (2E)	Community Child Care Council (4Cs) of Alameda County	\$4.0M
	FFN RELIEF GRANTS & HEALTH AND SAFETY EQUIPEMENT (2E)	Hively	\$4.4M
	FFN RELIEF GRANTS & HEALTH AND SAFETY EQUIPEMENT (2E)	Davis Street Community Center	\$1.1M

## MEASURE C KEY PROGRAMMATIC CONTRACTS

### AUGUST 2025



*In alignment with the Measure C 5-Year Plan, the following key programmatic contracts have been approved by the First 5 Commission and are executed or under negotiation.*

GOAL	INVESTMENT	ENTITY	MEASURE C AMOUNT
<b>GOAL 3</b>	<b>FACILITIES GRANTS (3A &amp; 3B)</b>	Low Income Investment Fund (LIIF)	\$19.4M
<b>GOAL 4</b>	<b>MEASURE C EVALUATION (4A)</b>	American Institutes for Research (AIR)	\$850K
	<b>KINDERGARTEN READINESS COMMUNITY STUDY - EARLY DEVELOPMENT INSTRUMENT (4B)</b>	University of California, Los Angeles (UCLA) Center for Healthier Children, Families and Communities	\$444K

**GOAL 1:** Increasing Access to Child Care Services

**GOAL 2:** Recruiting, Retaining, and Supporting Early Educators

**GOAL 3:** Enhancing Child-Serving Spaces

**GOAL 4:** Accountability and Measuring Impact

# MEASURE C 5-YEAR PLAN UPDATES



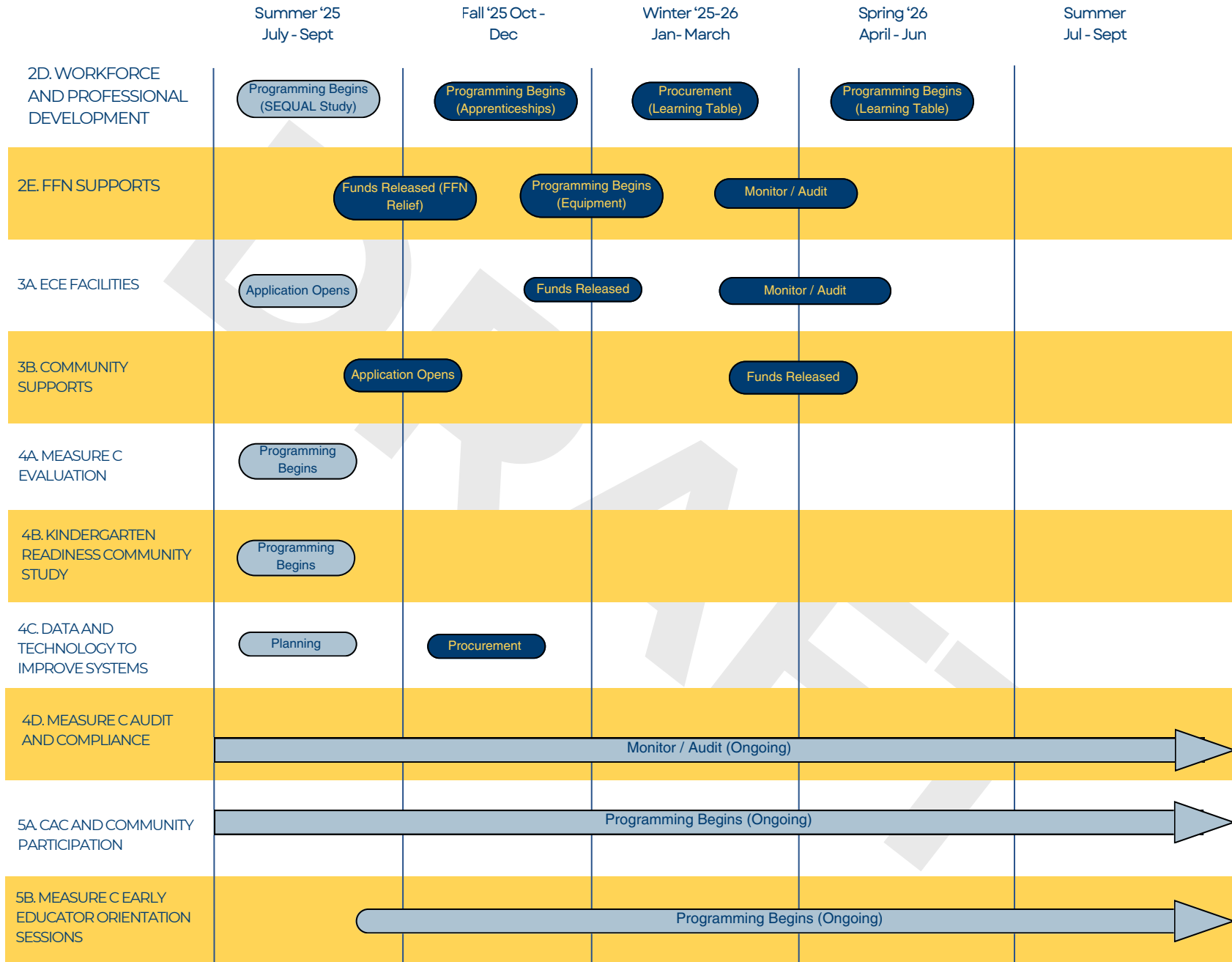
## PROGRESS REPORT AUGUST 2025

	Summer '25 July - Sept	Fall '25 Oct - Dec	Winter '25-26 Jan - March	Spring '26 April - June	Summer '26 July - Sept
1A. MEASURE C FFN SUBSIDIZED VOUCHERS	Planning	Procurement	Programming Begins/ Funds Released		Monitor / Audit
1B. MEASURE C SUBSIDIZED SLOTS AT CENTERS & FCCS	Planning		Procurement		Programming Begins/ Funds Released
1C. INCLUSIVE SUPPORTS FOR ALL CHILDREN	Planning	Programming Begins	Monitor / Audit		
1D. CONNECTING FAMILIES AND CAREGIVERS TO RESOURCES		Application Opens (FRC/Shelter Grants)  Programming Begins (Navigation & Referrals)		Funds Released (FRC/Shelter Grants)	
1E. USE OF TECHNOLOGY TO SUPPORT ACCESS	Planning	Procurement		Programming Begins	
1F. PARENT AND CAREGIVER TRAINING AND ENGAGEMENT	Planning		Programming Begins		
2A. EMERGENCY GRANTS	Application Opens  Funds Released	Monitor / Audit			
2B. MINIMUM WAGE FLOOR AND OPERATING GRANTS	Planning		Procurement		Programming Begins
2C. PROVIDER EMERGENCY REVOLVING FUND	Procurement	Planning	Funds Released		

# MEASURE C 5-YEAR PLAN UPDATES



**PROGRESS REPORT  
AUGUST 2025**



Underway

Scheduled to Begin

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## DEFINITIONS

**Planning**

Research, planning, and community engagement to ensure effective implementation of strategy.

**Procurement**

Securing consultants or contractors through Request for Proposals (RFP) or other procurement methods.

**Application Opens**

Application for specific grant or funding opens to eligible applicants.

**Funds Released**

Funding / Grants distributed to approved recipients.

**Programming Begins**

Implementation of services.

**Monitor / Audit**

Ongoing oversight to ensure compliance with Measure C requirements.

# Empowering Early Educators

## An Evaluation of the Alameda County Early Educator Apprenticeship Program

### Executive Summary

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In anticipation of the opportunities that Measure C funding would bring to early care and education (ECE) in Alameda County, First 5 Alameda County contracted with the Center for the Study of Child Care Employment (CSCCE) to conduct an evaluation of the Early Educator Apprenticeship Program (EEAP) at the YMCA of the East Bay. This Registered Apprenticeship (RA) has been in operation since 2015. First 5 Alameda County and the Alameda County Social Services Agency (ACSSA) began a unique partnership with the program in 2019, funding cohorts of parents to participate in the apprenticeship with CalWORKs (TANF) funding. To our knowledge, Alameda is the first county in California to use TANF funding in this way. The CSCCE evaluation incorporates administrative data as well as data from apprentices and other key stakeholders to explore the perceived impacts and promising practices of the program, with a focus on the EEAP's potential to continue to bolster the ECE workforce in Alameda County through increased funding and scaling.

## Program Overview

The EEAP is sponsored by Early Care & Education Pathways to Success, and the YMCA of the East Bay is the employer. Apprentices' on-the-job training consists of 2,000 hours of supervised work experience with a mentor teacher. For related instruction, participants complete college courses at local institutes of higher education (IHEs), for example, Berkeley City College. Apprentices receive compensation increases and stipends for reaching milestones as they progress, and those who successfully complete their program or "tier" receive the corresponding credential and/or the California Child Development Permit associated with the education achieved (see **Table 1**).

**Table 1. Early Educator Apprenticeship Tiers**

	<b>Educational Requirement</b>	<b>Credentials and Degrees Earned</b>
<b>Tier 1</b>	12 early childhood education units, equivalent of 4 early childhood education courses	CA Child Development Associate Teacher Permit
<b>Tier 2</b>	60 units, including both early childhood education and general education courses	CA Child Development Teacher Permit; Associate Degree
<b>Tier 3</b>	120 units, including both early childhood education and general education courses	CA Child Development Site Supervisor Permit; Bachelor's Degree

Source: Center for the Study of Child Care Employment, University of California, Berkeley

## Evaluation Findings

### Program Participation

- Survey data indicate that apprentices are primarily women of color—43 percent identified as Latina, 29 percent as Black, 9 percent Asian, 6 percent White, and 13 percent as some other race or ethnicity—and more than two thirds (69 percent) of apprentices have children under 18. In addition, nearly one half (44 percent) of apprentices were born outside the United States.
- As of February 2024, three quarters (76 percent) of past participants completed at least the first tier, and one half (51 percent) of current apprentices have already completed Tier 1 or 2.
- On average, it took just under three years for apprentices to complete the first two tiers, earning two permits and an associate degree. The time to complete these milestones is similar to, if not better than, students participating in “traditional” higher education programs.

### Program Implementation

- A complex web of funding streams and careful coordination by apprenticeship partners allows the EEAP to incorporate holistic support services that eliminate barriers (including program costs) and facilitate the attainment of credentials.
- Three of the top four most important program elements apprentices indicated were related to financial support, stipends, and higher wages upon program completion.
- Financial investment in holistic services appears to be removing barriers to participation: approximately one half (54 percent) of survey respondents report that they did not experience any challenges while engaged in the program.

- Among apprentices who did note obstacles, the most common concern was balancing the responsibilities of work, school, and personal commitments. Slightly more than three quarters (77 percent) of current apprentices supported by CalWORKs funding indicated that the provision of child care for their own children was extremely important to their participation.

## Program Impact

- Apprentices reported growth in their knowledge and teaching practice as a result of participating in the EEAP.
- Apprentices also identified positive effects of the program on their parenting and their personal relationships. This result may not be the primary purpose of the apprenticeship, but it reflects the potential impact of the EEAP on multiple generations.
- The majority of apprentices (83 percent) acknowledged their intention to remain in the ECE field after completing their apprenticeship.
- EEAP participants also noted improvements in their economic and personal well-being as a result of higher wages and anticipated earning potential.

## Financial Analyses of Program Costs and Apprentice Earnings

We examined available annual budget and salary scale data for the EEAP program to understand program costs per participant and likely effects of program participation on participant earnings. We also looked at participant survey data to explore any relationship among program completion, salary increases, and participants' perceptions of the program's financial benefits.

### Analyses Highlights

- Considering the most recent annual budgets after the COVID-19 pandemic peak (i.e., 2021-2022, 2022-2023, and 2023-2024), the cost per participant averaged \$17,022/year.
- The EEAP offers a comprehensive suite of supports and services that apprentices identified as critical to their success, but are not available in a typical higher education program. Services include on-site child care, technology training, tutoring, and tailored academic counseling, resulting in a higher cost per participant than the average annual cost of tuition, fees, and supplies at a four-year public IHE in California.
- Participants can expect hourly wage increases between 15 and 70 percent upon the completion of each tier. Participants who complete Tier 3 (earning a bachelor's degree and

working as a site supervisor) experience the largest bump in pay, both upon completion and over time.

## Recommendations

The EEAP is a viable investment to achieve the aims of enhancing access to and the quality of ECE programming, along with professional development programs for educators and providers. Given the findings presented in this report and the opportunity that Measure C presents, we offer the following recommendations. These recommendations should be considered together to ensure that program development and systems-building efforts are coordinated.

### Program Development

#### **Design holistic supports for apprentices.**

Holistic supports are key to equitable access and participant success. Service and resources such as embedded tutoring, success coordinators, child care, and computers not only help to take the guesswork out of higher education, they also provide students with the scaffolding they need to be able to attend, engage with, and succeed in school. Ensure that a wide array of supports are included in the design of any apprenticeship.

#### **Guarantee adequate resources for apprentice supports.**

The average annual cost for apprenticeship participation between 2021 and 2024 was \$17,022 per apprentice. This sum includes the holistic supports described above and also tuition, transportation, stipends, the salaries of the staff who provide the supports, and much more. Ensure that when program budgets are designed, they include these supports and utilize community partners as resources—for example, the ACSSA supports the EEAP by recruiting apprentices.

#### **Improve data collection and infrastructure.**

Establish and maintain a comprehensive data infrastructure for program- and apprentice-level data to better track completion rates, time to completion, retention of apprentices in the field, and long-term program impacts on apprentices' economic well-being.

### Systems Building

#### **Keep equity at the forefront of the apprenticeship.**

Equity was identified as a driver in the development and implementation of the EEAP. As the program develops and expands, continually revisit how equity inspired the creation of

the program, how stakeholders currently consider and define equity, and how these definitions are realized in the programming, so that equity remains at the forefront.

**Blend and braid funding to meet program costs and wages.**

There is no single source of funding to cover all program costs. The EEAP masterfully blends and braids a variety of funding sources to meet the financial needs of the program. Streamline this process and alleviate bureaucratic burden by blending contracts under one reporting entity.

**Champion government, philanthropic, and employer investment to enable ECE apprenticeship expansion.**

So that program benefits might unfold over time, apprenticeships require sustained investment from government, philanthropies, and employers—such as the ACSSA, workforce development boards, Tipping Point, and First 5 Alameda County—over multiple years.

**Leverage the success of this local model to continue progress on ECE working conditions.**

Address the wage gap in Alameda County with additional funding from Measure C. Set the floor at a living wage, creating a family-sustaining wage so that apprentices are rewarded for their preparation and have incentive to remain in the field.

## Areas for Further Research and Consideration

- Collect administrative and apprentice-level data and conduct further analyses to better understand the costs and financial impact of the program.
- Encourage private and public entities to fund further research on the impact and fidelity of RA models to further develop our understanding of how these programs impact the ECE workforce.
- Identify the supports apprentices need to be successful, utilizing various sources of data. The EEAP program will benefit from advocates, county and city administrators, RA program administrators, and employers iterating programming to meet changing needs in the community.
- Support the expansion of language access in apprenticeships and other professional development in the county.
- Continue authentic engagement of the ECE workforce in the development and implementation of the EEAP and other apprenticeships in the county, so that the programs might accurately address the educational aspirations and needs of early educators.



# MINI NATIONAL SUMMIT WITH FIRST 5 ALAMEDA COUNTY

In September, national leaders will join First 5 Alameda County to discuss lessons learned from communities around the country. The mini-summit will begin with a public conversation with our Community Advisory Council (CAC) and will conclude with a public screening of the “Make A Circle” documentary.

First 5 staff members will also have an opportunity to meet with the leaders to dig further into their experiences and ask questions.

## CONFIRMED SPEAKERS INCLUDE:

**INGRID X. MEZQUITA**  
Executive Director of the  
San Francisco Department  
of Early Childhood

Ingrid will share lessons from implementing San Francisco’s Baby Prop C, drawing on her 25+ years of leadership advancing equity in early childhood systems.

**EMMY LISS**  
Early Childhood Policy  
Consultant at New America

Emmy co-leads the Early Care and Education Implementation Working Group and formerly served as COO for New York City’s early childhood education program, building a system serving nearly 100k children.

**BROOKE CHILTON  
TIMMONS**  
Leader from Multnomah  
County, Oregon

Brooke plays an instrumental role in implementing Multnomah’s landmark *Preschool for All* program, which aims to provide free care for every 3-4 year-old by 2030.

## PLEASE JOIN US!

→ **PUBLIC MEETING OF  
FIRST 5’S COMMUNITY  
ADVISORY COUNCIL (CAC)**

**Thurs, Sept. 18, 6 - 8 PM**

First 5’s CAC and the public will have an opportunity to engage with national leaders to discuss best practices and lessons learned in implementing transformative ECE programs.

Location TBD, In-Person and Virtual

→ **PUBLIC SHOWING FOR  
“MAKE A CIRCLE” FILM &  
FILMMAKERS PANEL**

**Fri, Sept. 19, ~6 PM**

Public screening of “Make a Circle”, a documentary profiling early childhood educators and the systemic changes needed in the U.S. Co-hosted by KQED, the screening will be followed by a panel with the filmmaker and featured local educators.

New Parkway Theater, 474 24th St, Oakland, CA 94612

## Legislation and Public Policy Updates

August 2025

### FEDERAL POLICY

#### Federal Reconciliation Bill (H.R. 1) – “One Big Beautiful Bill Act” Signed into Law

On July 4, following weeks of intense negotiations and vocal opposition from progressive advocates, Congress passed, and President Trump signed into law H.R. 1, also known as the “One Big Beautiful Bill Act.” This sweeping (nearly 900-page) legislation provides \$4.5 trillion in tax cuts that primarily benefit the wealthy while slashing funding for essential public programs—most notably Medicaid and SNAP.

Key impacts include:

- Increased food and health care costs
- Greater poverty and food insecurity
- Loss of health insurance coverage for millions of Americans
- Disproportionate harm to immigrant communities
- Fiscal pressure on state budgets and local safety net systems due to historic cuts

The law also includes \$350 billion for immigration and border enforcement activities.

#### **Local Impacts**

- Federal dollars account for roughly one-third of California’s budget.
- Medi-Cal (which insures 14 million Californians) receives 70% of its funding from federal sources.
- CalFresh is almost entirely federally funded.
- In Alameda County:
  - Over 30% of residents are enrolled in Medi-Cal.
  - Nearly 40% of families with children receive CalFresh.
  - 53% of children under 6 live in families with at least one foreign-born parent.

These cuts will directly harm thousands of families with young children and will deepen existing racial and economic disparities in our county.

Key provisions (and estimated state and local impacts) are summarized in this [preliminary analysis](#). Some provisions of H.R. 1 require additional federal guidance before taking effect and states can begin implementing. First 5 is closely tracking federal and state developments related to H.R. 1’s implementation..

#### FY 2026 Federal Appropriations: Ongoing Discretionary Spending Risks

Congress is tasked with passing 12 appropriations bills by September 30<sup>th</sup> to avoid a government shutdown. However, progress is slow, and the process is far behind schedule. Key appropriations proposals for priority programs include:

## AGENDA ITEM 5b

- Special Supplemental Nutrition Program for Women, Infants, and Children (WIC):
  - Senate: Full funding of WIC approved (July 10), rejects the Trump Administration's proposed cuts to the fruit and vegetable benefits.
  - House: June proposal reduced WIC funding and would approve Administration's cuts.
- Head Start & Early Learning:
  - Senate: Labor, Health and Human Services, Education (LHHSE) funding bill passed on July 31 provides \$170 million increase for early learning programs over FY25, including:
    - \$85 million increase over FY25 for the Child Care Development Block Grant (CCDBG)
    - \$85 million increase over FY25 for Head Start and Early Head Start
    - \$315 million maintained for the Preschool Development Birth Through Five program
    - Flat funding of other educational programs like Title I-A and IDEA Special Education state grants<sup>1</sup>
  - House: Committee action on LHHSE funding rescheduled for early September.

### New HHS Policy Excludes Immigrants from Accessing Public Family-Serving Programs

On July 14, the U.S. Department of Health and Human Services (HHS) issued a notice rescinding a nearly 30-year-old interpretation of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). The PRWORA interpretation excluded public health and education programs like Head Start from the definition of a "federal public benefit," providing immigrants an exemption from the eligibility requirements PRWORA placed on other benefit programs like TANF, SSI, and CHIP. The revised HHS interpretation now defines Head Start, Certified Community Behavioral Health Clinics, Title IV-E Kinship Guardianship Assistance Program, and many other family-serving programs as federal public benefits, thus subjecting them to stricter eligibility requirements. This change makes undocumented immigrants ineligible for these life-saving programs.

#### Key Concerns:

- Immigration status verification will now be required for **public Head Start programs**, undermining a 60-year policy of inclusive access and creating administrative burden on programs that have no existing procedure for verifying the immigration status of program participants.
- **Community health centers**, legally required to serve all residents regardless of immigration status, will be forced to deny service to immigrant populations undermining their public health missions and leaving immigrant communities at greater risk of poor health outcomes.
- The rule is expected to cause **chilling effects** across immigrant communities—reducing participation in critical education and health programs.

#### Status of Implementation & Legal Response:

- HHS initially stated that the new interpretation would be effective immediately, before sharing implementation guidance or completing the public comment process.
- A coalition of 21 state Attorneys General (including California AG Rob Bonta) filed suit to block the rule on the basis that the Trump Administration failed to follow the rulemaking process or provide required notice on new conditions for receiving federal funds. The lawsuit also argues that the new interpretation

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<sup>1</sup> [FY26 LHHSE Senate Bill Summary](#)

## AGENDA ITEM 5b

would cause significant harm for program administrators and the communities they serve.

- On July 25, the Trump Administration agreed to pause enforcement of the new interpretation in plaintiffs' states until at least September 03, 2025, and shared HHS would not enforce it retroactively.
- **As of August 7<sup>th</sup>, HHS shared that enforcement is paused through September 10, 2025, nationwide.**

### Local Advocacy:

- Parent Voices Oakland joined an ACLU-led federal lawsuit challenging the Trump Administration's attempts to undermine the core mission of the Head Start program. Recently, the original complaint was amended to include the threats posed to Head Start by the new HHS PRWORA reinterpretation.
- First 5 submitted formal [public comment](#) to HHS condemning the reinterpretation and urging HHS to rescind the change. We continue to engage in federal advocacy with our federal and state delegation to protect access to programs like Head Start, SNAP, and Medicaid.

## STATE POLICY

### Fiscal Year 2025-26 State Budget Signed

Governor Newsom signed the \$321 billion state budget on June 30. The final budget agreement:

- Rejects several program cuts initially proposed in the May Revision
- Closes a \$12 billion deficit primarily by borrowing and reserve funds
- Includes major housing policy reforms that streamline California Environmental Quality Act (CEQA) for faster urban infill housing development
- Does not yet account for losses from federal bills like H.R. 1 with state lawmakers expected to revisit budget shortfalls this fall

While the budget includes essential funding for health care, early childhood education, and food access, some significant cuts were made. Key reductions include:

- Freeze on Medi-Cal enrollment for undocumented adults beginning January 1, 2026.
- Applies \$30 monthly Medi-Cal premiums for undocumented adults ages 19-59 beginning July 1, 2027.
- ACES Aware funding reduced from \$20 million to \$2.9 million.

These decisions are concerning given the federal cuts to health care coverage, safety net services, and stricter eligibility for immigrants occurring simultaneously.

### Additional Budget Highlights:

- \$89.3 million in subsidized child care and preschool provider rate increases
  - Continues and increases Cost of Care Plus payments
  - Enrollment-based prospective payments begin July 1, 2026
- Adds \$1.2 billion to reduce TK classroom adult-to-child ratio from 1:10 to 1:12
- \$7.4 million in 2025-26 and \$12.5 million in 2026-27 for a new Diaper Access Initiative and an additional

## AGENDA ITEM 5b

- \$7.4 million to the California Diaper Bank Network, which includes Help A Mother Out
- \$130,000 Medi-Cal Asset Limit restored (rejecting Governor's proposed \$2,000 cap)
- Over \$50 million allocated for food banks

Full budget summary is available [here](#).

### **2025-2026 Legislative Session Update**

The Legislature reconvenes August 18 after a summer recess. The last day for fiscal committees to act on bills is August 29; the session ends September 12. First 5 continues tracking legislation aligned with our [2025 Policy Agenda](#). Six of our supported bills have continued to progress through the legislative process. Key bills of interest include:

Bill Number	Summary	Position
<u>AB-49 (Muratsuchi): Schoolsites: immigration enforcement.</u>	Adds protections to school sites by prohibiting immigration enforcement agencies from entering a nonpublic area of a school site without valid identification, signed judicial warrant, and proper approvals from school leaders, and limits access to facilities where students are not present. Prohibits personnel from disclosing or providing any information about a student, their family and household, a school employee, or a teacher to an immigration authority without valid identification or warrant. Child care center protections were removed in amendments.	Watch
<u>AB-607 (Rodriguez) CalWORKs: Home Visiting Program.</u>	Extends duration of the CalWORKs Home Visiting Program to at least 24 months, not to exceed the duration of the applicable home visiting program model, and increases the maximum age of the child at the time of enrollment from 24 to 36 months. Authorizes a voluntary participant whose participation would otherwise be terminated because the participant no longer meets CalWORKs income, eligibility, or need criteria to continue through the duration of the home visiting program or for up to an additional 12 months, whichever is longer.	Support
<u>AB-753 (Garcia) Childcare: facility licensure: teacher requirements.</u>	Allows California state preschool and general childcare programs to hire interim associate teachers for two years while they work toward obtaining their Child Development Associate Teacher Permit or equivalent, effective July 1, 2026, and inoperative by July 1, 2029, while ensuring programs are not penalized for employing such teachers.	Support
<u>SB-792 (Arreguin) Childcare.</u>	Revises the income eligibility for CalWORKs stage three childcare services to be 85% of the state median income, adjusted for family size, aligning it with the income eligibility of other programs.	Support
<u>AB-350 (Bonta): Health care coverage: fluoride treatments.</u>	Requires health insurance plans and Medi-Cal to provide full coverage of fluoride varnish application for children and youth under 21 years old. Allows for Medi-Cal reimbursement when applied in more settings and by more providers	Support
<u>AB-752 (Avila Farias): Child daycare facilities.</u>	Facilitates the operation of daycare centers co-located with multifamily housing or community amenities by classifying them as residential use, exempting them from certain local fees and environmental regulations.	Support



#### AGENDA ITEM 5b

<u>SB-626 (Smallwood Cuevas): Perinatal health screenings and treatment.</u>	Expands perinatal mental health care, requiring health care providers to screen and treat conditions during the perinatal period, and obligates health plans to cover specific treatments and report outcomes.	Support
<u>AB 495 (Celeste Rodriguez): Family Preparedness Plan Act of 2025.</u>	Expands caregiver rights, mandates confidentiality in guardianship proceedings, and restricts immigration status data collection by schools and day care facilities to protect children from family separation due to immigration issues.	Watch

### FIRST 5 ALAMEDA POLICY ADVOCACY ACTIVITIES

Below are policy advocacy actions we have taken to support families with young children and advocate for equitable early childhood systems:

#### Federal

- [Opposed the U.S. Health and Human Services Agency's Notice on Reinterpretation of PRWORA](#) which would exclude undocumented immigrants from Head Start, Certified Community Behavioral Health Clinics, and other life-saving services funded by federal grants
- Continuing advocacy to protect access to Medicaid, SNAP, and early education programs

#### State

- Submitted letters of support for:
  - [SB-626 \(Smallwood-Cuevas\)](#) – Enhances the perinatal mental health care system in California
  - [AB-607 \(Rodriguez\)](#) – Extends the duration of the CalWORKs Home Visiting Program
  - [SB-792 \(Arrequin\)](#) – Remedies inconsistencies in CalWORKs child care eligibility income thresholds
  - [AB-350 \(Bonta\)](#) – Expands fluoride treatment coverage and Medi-Cal reimbursement expansion

First 5 will continue to monitor developments at the federal and state level to assess their impact on early childhood systems and advocate for strong, equitable support for communities, families, and young children.



## AGENDA ITEM 5c

### **First 5 California Commission and First 5 Association Updates**

August 2025

#### **First 5 California Commission – August 14th Meeting Highlights**

The First 5 California Commission convened on August 14, with the agenda featuring a budget study session, a discussion on the Fatherhood Investment Strategy, and approval of \$10 million over three years for the new Children, Families, Immigrants, and Refugees: Support and Tools (Children F.I.R.S.T.) Initiative. Meeting agenda and materials available [here](#).

#### **First 5 California Media Engagement on Federal Cuts**

In June, First 5 CA Executive Director Jackie Thu-Huong Wong appeared live on FOX40 in a roundtable discussion with Child Care Resource Center Vice President and Chief Strategy Officer Donna Sneeringer. They spoke about the devastating impact proposed federal cuts to programs like Medicaid, SNAP, and Head Start would have on California families. The conversation focused on the ripple effects of reduced access to child care, decreased family economic stability, and disproportionate harm to working families and communities of color. Watch the full discussion [here](#).

#### **First 5 Association Responds to Federal Budget Deal**

Following the passage of the federal budget bill (H.R. 1) on July 4, the First 5 Association of California released a public statement warning that the law will push more children into poverty, vulnerable families would lose access to health care, and immigrant children face permanent exclusion from federal support. The Association emphasized that the combined effect of federal and state cuts will widen health and achievement gaps, resulting in lifelong consequences for young children with the greatest need. Read the full statement [here](#).

Association Executive Director Avo Makdessian also addressed these issues on the *Education Beat* podcast, produced by EdSource, stating: “Local First 5s, cities, counties, school districts... are undoubtedly going to have to pick up some of these services—at the expense of others.” Listen to the episode or read interview highlights [here](#).

#### **First 5 Association Critiques State Budget Provisions Harmful to the State’s Most Vulnerable Young Children**

Following Governor Gavin Newsom’s approval of the 2025-26 state budget, the First 5 Association released a statement highlighting provisions that put healthcare access at risk for families from marginalized communities, particularly families with mixed immigration status. Concerns include:

- The freeze on Medi-Cal enrollment for undocumented adults
- The imposition of \$30 monthly Medi-Cal premiums for undocumented adults
- Reduced funding for the ACEs Aware program



## **AGENDA ITEM 5c**

These changes are expected to further reduce access to healthcare and exacerbate disparities in child health outcomes. Read the full statement [here](#).

### **First 5 Association Hires New Choose Children Campaign Manager**

The First 5 Association announced the hiring of Anais Duran as the Choose Children Campaign Manager. Anais previously served as Government Affairs Strategist for First 5 LA, where she led their federal engagement, strengthened partnerships with state and national coalitions, served as ambassador and liaison for First 5 LA's critical coalitions and associations, and led organization-wide sponsorships. She currently serves on the board of Latinas Lead California. Anais can be reached at [anais@first5association.org](mailto:anais@first5association.org).

### **First 5 Association Applauds AmeriCorps Funding Restoration**

Association Executive Director Avo Makdessian released a statement after a federal judge ordered the restoration of AmeriCorps funding in California, reversing earlier cuts by the Trump Administration. He expressed relief about the ruling and highlighted the vital role AmeriCorps members play in delivering direct services, such as developmental screenings for young children in rural regions where health services can be harder to access. Makdessian spoke about the impact of AmeriCorps on families of young children on CapRadio's *Insight with Vicki Gonzalez*. You can listen to the interview [here](#).

### **First 5 Center Shares Update on Medi-Cal Community Health Worker (CHW) Benefit**

A recent blog post by Senior Policy Research Associate Jaren Gaither highlights underutilization of the CHW Medi-Cal benefit. According to DHCS data, fewer than 1% of children accessed the benefit last year. In response to calls from advocates to improve delivery, DHCS issued a statewide standing recommendation that removes the need for a written provider referral for the first six hours of CHW services—reducing administrative barriers. Recommendations for improving utilization include raising reimbursement rates, expanding technical assistance and capacity building, and developing a statewide CHW training certificate. Read the full blog post [here](#).



**To:** First 5 Alameda County Commission

**From:** Kristin Spanos, Chief Executive Officer  
Cally Martin, Deputy Chief Executive Officer  
Detra Teal, Chief Human Resources Officer

**Date:** August 21, 2025

**Subject:** Classification and Compensation Recommendations

---

#### **ACTION REQUESTED**

Review the recommended actions related to the Classification and Compensation Study conducted by Gallagher and Associates, along with the corresponding updates to the First 5 Alameda County salary structure.

#### **BACKGROUND**

First 5 Alameda County (First 5) engaged Gallagher and Associates (Gallagher) to conduct a comprehensive classification and compensation study. Following their analysis, Gallagher has recommended updates to First 5's classification plan.

**Classification Plan Update:** Transition from 13 broad classifications to over 70 distinct classifications. These updated classifications provide greater differentiation by field of work, and in some cases, include a classification series to support flexibility and potential promotional growth.

In addition to these market-based findings, and in consultation with Gallagher, First 5 proposes the following actions to update its **Compensation Structure**:

Establish a distinct salary range for each uniquely identified classification. See below the proposed revised salary structure.

These proposed changes aim to advance pay equity across the job market, improve internal alignment of similar roles, and ensure First 5 remains competitive within the labor market. It is designed to be flexible enough to allow new positions to be added as needed to accommodate the evolving business needs of the organization.

**AGENDA ITEM 6**

Salary Range	Annual Minimum	Annual Maximum
1	\$ 43,731.21	\$ 62,972.94
2	\$ 45,917.77	\$ 66,121.59
3	\$ 48,213.66	\$ 69,427.66
4	\$ 50,624.34	\$ 72,899.05
5	\$ 53,155.56	\$ 76,544.00
6	\$ 55,813.33	\$ 80,371.20
7	\$ 58,604.00	\$ 84,389.76
8	\$ 61,534.20	\$ 88,609.25
9	\$ 64,610.91	\$ 93,039.71
10	\$ 67,841.46	\$ 97,691.70
11	\$ 71,233.53	\$ 102,576.28
12	\$ 74,795.20	\$ 107,705.09
13	\$ 78,534.96	\$ 113,090.35
14	\$ 82,461.71	\$ 118,744.87
15	\$ 86,584.80	\$ 124,682.11
16	\$ 90,914.04	\$ 130,916.22
17	\$ 95,459.74	\$ 137,462.03
18	\$ 100,232.73	\$ 144,335.13
19	\$ 105,244.36	\$ 151,551.88
20	\$ 110,506.58	\$ 159,129.48
21	\$ 116,031.91	\$ 167,085.95
22	\$ 121,833.51	\$ 175,440.25
23	\$ 127,925.18	\$ 184,212.26
24	\$ 134,321.44	\$ 193,422.88
25	\$ 141,037.51	\$ 203,094.02
26	\$ 148,089.39	\$ 213,248.72
27	\$ 155,493.86	\$ 223,911.16
28	\$ 168,269.09	\$ 242,307.48
29	\$ 176,682.54	\$ 254,422.86
30	\$ 185,516.67	\$ 267,144.00
31	\$ 194,792.50	\$ 280,501.20
32	\$ 204,532.13	\$ 294,526.26
33	\$ 214,758.73	\$ 309,252.57
34	\$ 225,496.67	\$ 324,715.20
35	\$ 236,771.50	\$ 340,950.96
36	\$ 248,610.08	\$ 357,998.51
37	\$ 261,040.58	\$ 375,898.44
38	\$ 274,092.61	\$ 394,693.36
39	\$ 287,797.24	\$ 414,428.02
40	\$ 302,187.10	\$ 435,149.43

**AGENDA ITEM 6**

FACTORS	
Min to Midpoint	20%
Midpoint to Max	20%
Range Increase	5%

Gallagher has recommended the classification and compensation plan based on a thorough review of job descriptions, interviews, and market analysis. These recommendations have been carefully reviewed and validated by First 5. The compensation study revealed that First 5 salaries are competitive with the labor market requiring few adjustments to current staff salaries.


**FISCAL IMPACT**

Funding for salary adjustments resulting from the new salary structure were anticipated and included in the FY 2025–26 Approved Budget.


**RECOMMENDATION**

That the Commission receive the Classification and Compensation Study and approve the recommended updates to the First 5 salary structure.

Submitted by:

Signed by:  
  
 4A13315C0573415  
 Detra Teal  
 Chief Human Resources Officer

Reviewed by:

DocuSigned by:  
  
 E38237316EC4482  
 Cally Martin  
 Deputy Chief Executive Officer

Approved by:

DocuSigned by:  
  
 ED639B4561544E4  
 Kristin Spanos  
 Chief Executive Officer

Below is the current proposed salary structure recommended by Gallagher and Associates mapped to the classification plan they developed following a thorough review of job descriptions, interviews, and market analysis. These recommendations have been carefully reviewed and validated by First 5.

To meet evolving business needs, First 5 may introduce additional classifications and place them within the proposed revised salary structure, in alignment with the new classification and compensation plan.

Class Title	Salary Range	Salary Range Minimum	Salary Range Maximum
Accountant	14	\$82,461.71	\$118,744.87
Accounting Technician	11	\$71,233.53	\$102,576.28
Administrative Assistant	8	\$61,534.20	\$88,609.25
Administrative Analyst	16	\$90,914.04	\$130,916.22
Business Systems & Applications Analyst	18	\$100,232.73	\$144,335.13
Chief Financial Officer	31	\$194,792.50	\$280,501.20
Chief Executive Officer	35	\$236,771.50	\$340,950.96
Chief Human Resources Officer	30	\$185,516.67	\$267,144.00
Chief Impact Officer	30	\$185,516.67	\$267,144.00
Chief of Programs	30	\$185,516.67	\$267,144.00
Chief of Staff	30	\$185,516.67	\$267,144.00
Chief Operating Officer	30	\$185,516.67	\$267,144.00
Child Development Care Coordinator	12	\$74,795.20	\$107,705.09
Child Development Care Coordination Supervisor	14	\$82,461.71	\$118,744.87
Communications Specialist	16	\$90,914.04	\$130,916.22
Communications Technician	10	\$67,841.46	\$97,691.70
Community Health Engagement Coordinator	13	\$78,534.96	\$113,090.35
Compliance Officer	22	\$121,833.51	\$175,440.25
Contracts and Budget Analyst I	11	\$71,233.53	\$102,576.28
Contracts and Budget Analyst II	13	\$78,534.96	\$113,090.35
Contracts and Budget Manager	19	\$105,244.36	\$151,551.88
Cultural Access Services Manager	16	\$90,914.04	\$130,916.22
Data Analyst I	14	\$82,461.71	\$118,744.87
Data Analyst II	16	\$90,914.04	\$130,916.22
Deputy Chief Executive Officer	33	\$214,758.73	\$309,252.57
Director of Community Programs	24	\$134,321.44	\$193,422.88
Director of Data & Evaluation	24	\$134,321.44	\$193,422.88
Director of Early Care & Education	24	\$134,321.44	\$193,422.88

Class Title	Salary Range	Salary Range Minimum	Salary Range Maximum
Director of Pediatric Care Coordination	24	\$134,321.44	\$193,422.88
Director of Strategic Initiatives & Planning	24	\$134,321.44	\$193,422.88
Director of Technology	24	\$134,321.44	\$193,422.88
ECE Data Management Officer	22	\$121,833.51	\$175,440.25
Evaluation Officer	22	\$121,833.51	\$175,440.25
Evaluation Specialist	18	\$100,232.73	\$144,335.13
Executive Assistant	14	\$82,461.71	\$118,744.87
Family Services Specialist	12	\$74,795.20	\$107,705.09
Family Services Supervisor	14	\$82,461.71	\$118,744.87
Finance Analyst	15	\$86,584.80	\$124,682.11
Government Affairs & Policy Analyst	18	\$100,232.73	\$144,335.13
Government Affairs & Policy Officer	22	\$121,833.51	\$175,440.25
Human Resources Analyst I	12	\$74,795.20	\$107,705.09
Human Resources Analyst II	14	\$82,461.71	\$118,744.87
Human Resources Supervisor	20	\$110,506.58	\$159,129.48
Impact Officer	22	\$121,833.51	\$175,440.25
Information Technology Technician	11	\$71,233.53	\$102,576.28
Infrastructure Officer	22	\$121,833.51	\$175,440.25
Kindergarten Readiness Officer	22	\$121,833.51	\$175,440.25
Manager, Data and Insights	19	\$105,244.36	\$151,551.88
Office and Facilities Manager	15	\$86,584.80	\$124,682.11
Office Assistant	5	\$53,155.56	\$76,544.00
Pediatric Quality Improvement Coordinator	13	\$78,534.96	\$113,090.35
Program Assistant	10	\$67,841.46	\$97,691.70
Program Coordinator	16	\$90,914.04	\$130,916.22
Program Manager	17	\$95,459.74	\$137,462.03
Program Officer	22	\$121,833.51	\$175,440.25
Project Manager	22	\$121,833.51	\$175,440.25
Quality Improvement Coach	14	\$82,461.71	\$118,744.87
Quality Improvement Manager	17	\$95,459.74	\$137,462.03
Senior Accountant	16	\$90,914.04	\$130,916.22
Senior Administrative Assistant	10	\$67,841.46	\$97,691.70
Senior Business Systems & Applications Analyst	20	\$110,506.58	\$159,129.48
Senior Contracts and Budget Analyst	16	\$90,914.04	\$130,916.22
Senior Data Analyst	18	\$100,232.73	\$144,335.13
Senior Government Affairs & Policy Analyst	20	\$110,506.58	\$159,129.48
Senior Human Resources Analyst	16	\$90,914.04	\$130,916.22
Senior Information Technology Technician	13	\$78,534.96	\$113,090.35

Class Title	Salary Range	Salary Range Minimum	Salary Range Maximum
Senior Manager, Finance	22	\$121,833.51	\$175,440.25
Senior Manager, Human Resources	20	\$110,506.58	\$159,129.48
Senior Program Assistant	12	\$74,795.20	\$107,705.09
Senior Program Manager	20	\$110,506.58	\$159,129.48
Senior Information Technology Technician	13	\$78,534.96	\$113,090.35
Senior Technology Analyst	18	\$100,232.73	\$144,335.13
Strategic Communications Officer	22	\$121,833.51	\$175,440.25
Strategic Initiatives & Planning Specialist	18	\$100,232.73	\$144,335.13
Strategic Initiatives and Planning Officer	22	\$121,833.51	\$175,440.25
Technology Analyst	16	\$90,914.04	\$130,916.22
Technology Officer	22	\$121,833.51	\$175,440.25



**Gallagher**

Insurance | Risk Management | Consulting

*Formerly Koff & Associates*

# First 5 Alameda County

**Classification & Compensation Study Report**

**August 2025**



# Purpose of the Study

- Develop up-to-date & current **classification plan** that:
  - Provides documentation of work and established job families
  - Enhances career growth/progression and training opportunities
  - Provides updated classification specifications that reflect best practices and are legally compliant
- Develop **competitive compensation plan** that allows First 5 Alameda County to recruit top talent and establishes internal and external pay equity based on objective criteria
- Backdrop of ongoing organizational change

# Classification Study Overview



# Classification Study Methodology



Meetings with Project Team to Define Objectives



Engage Employees through Questionnaires and Interviews



Analysis of Existing Structure and Proposal of New Structure



Development of New Classification Specifications



Management Review & Feedback

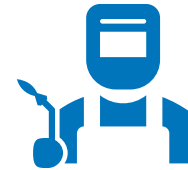
# Classification Plan Design for First 5 Alameda County



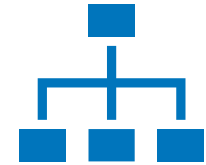
**Development of  
broad class  
concepts**



**Consolidation of  
job class titles**



**Application of new  
class concepts**



**Creation of class  
series and levels**

# Classification Study Recommendations (102 positions studied)

24 positions with  
no changes

61 positions with  
title changes

17 position  
reclassifications

# Total Compensation Study Overview



# Survey Elements

**9** Comparator Agencies

**34** Benchmark  
Classifications

**+ Benefits Data**  
(Retirement, Medical, Leaves)

# Comparator Agencies Surveyed

- Alameda County Office of Education
- City and County of San Francisco
- City of Oakland
- County of Alameda
- County of Contra Costa
- First 5 Los Angeles County
- First 5 Riverside County
- First 5 Santa Clara County
- San Mateo County Office of Education

# Custom Survey Methodology

1

Examine key Documents  
(class descriptions, org charts, salary schedules)

2

Conduct class description to class description analysis

3

Evaluate essential job duties and apply 70% comparability threshold

4

Follow up with additional data collection as necessary

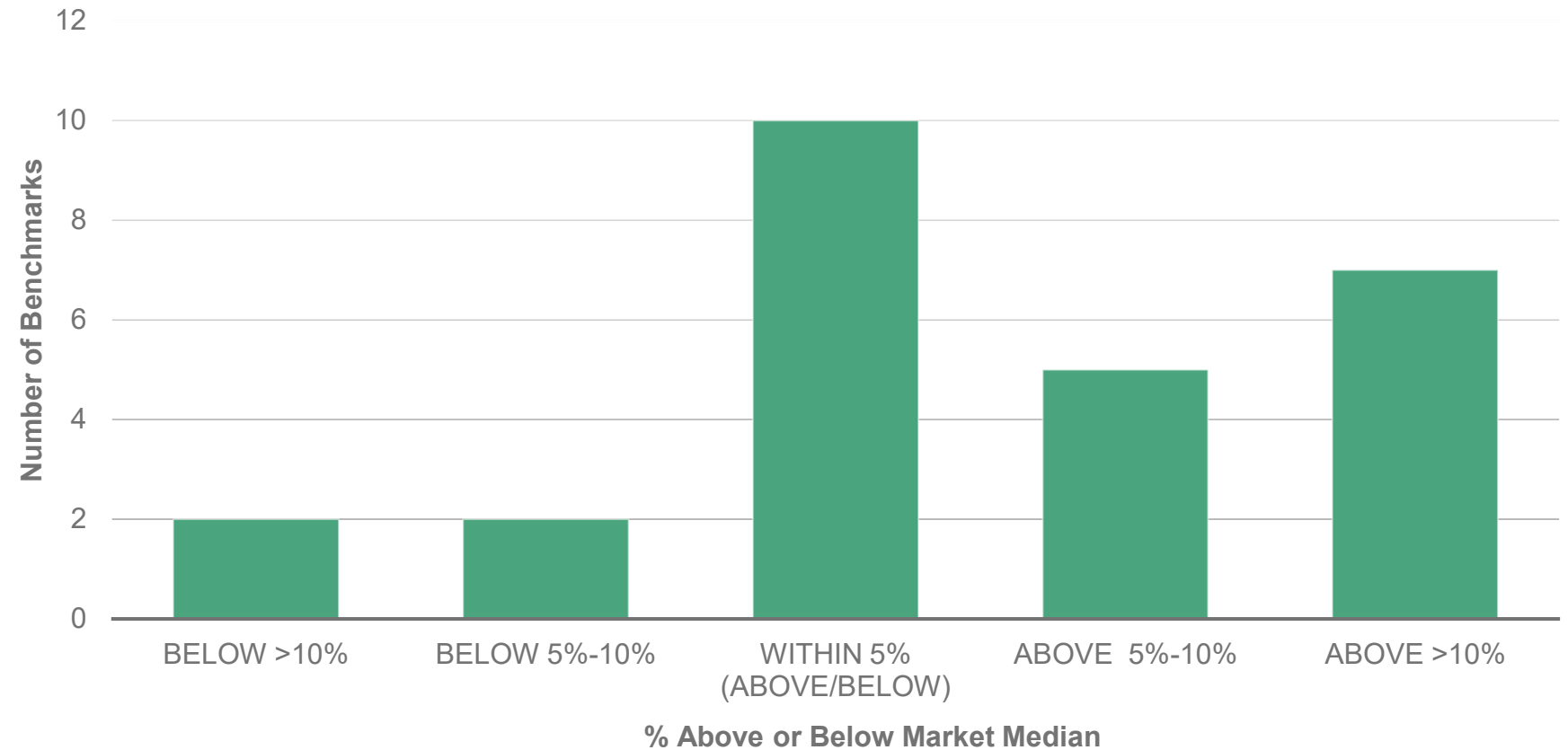
5

Validate data through supplemental review (Project Manager and First 5 HR)

# Market Findings

Overall, base salary market results are, on average across all benchmark job classes, 4.0% above market median

## Salary Survey Results

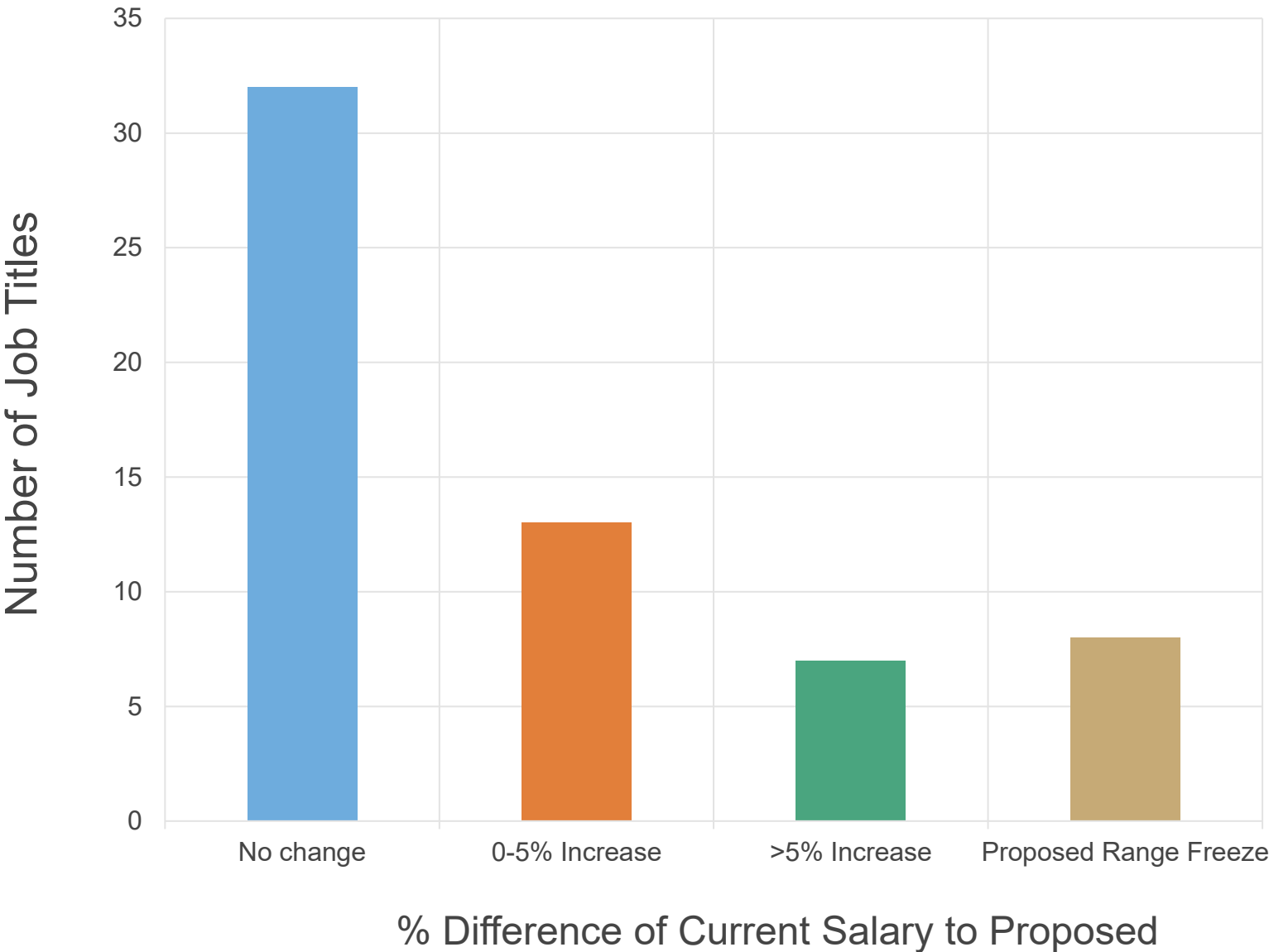


***Survey results that are within 5% of market (above or below) are deemed to be competitive with the market***

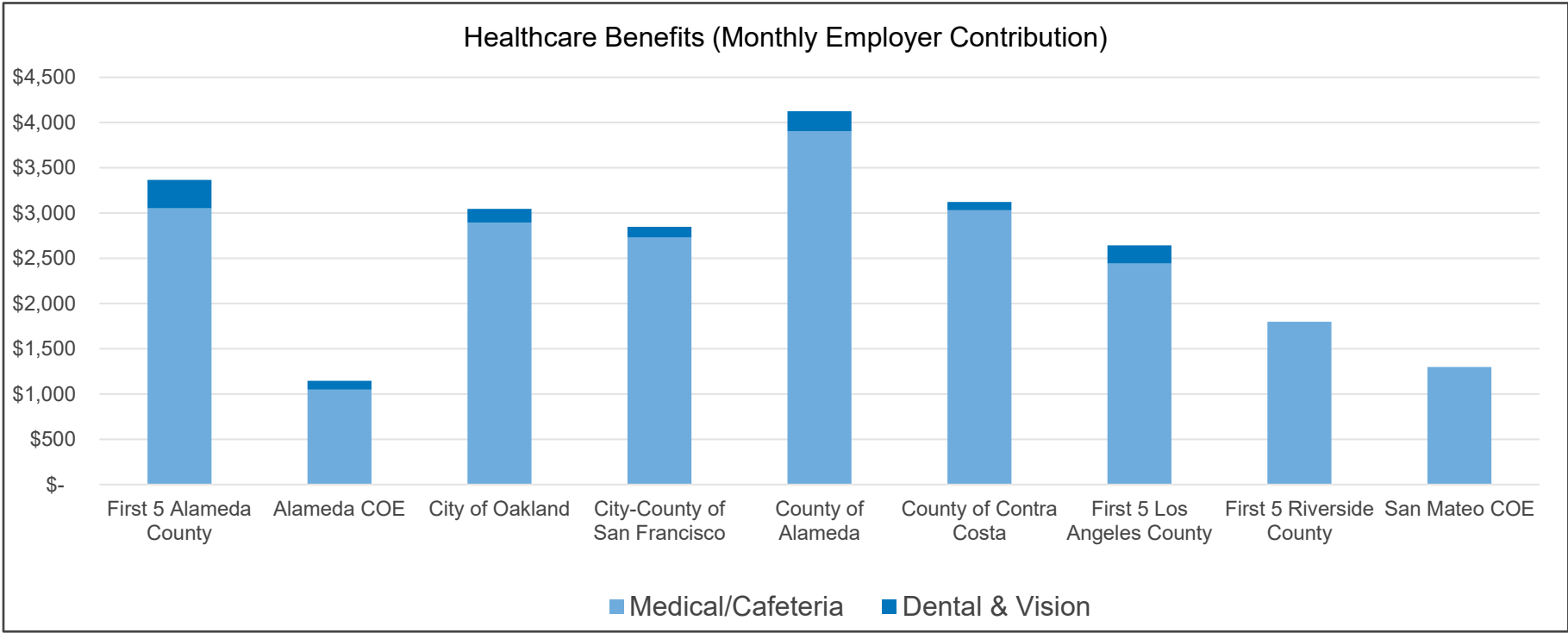
# Compensation Design: Market Based Approach

Survey	Survey the market with a sampling of the agency's classifications ("benchmark classifications")
Align	Align non-benchmark job classifications to a surveyed (benchmark) job classifications by applying standard differentials and examining historical pay practices and salary relationships
Develop	Develop salary recommendations by placing each job class within the new system applying the principles above
Maintain	Once established, administer and maintain compensation plan through consistent application of pay administration principles

# Proposed Range Adjustments – All Jobs

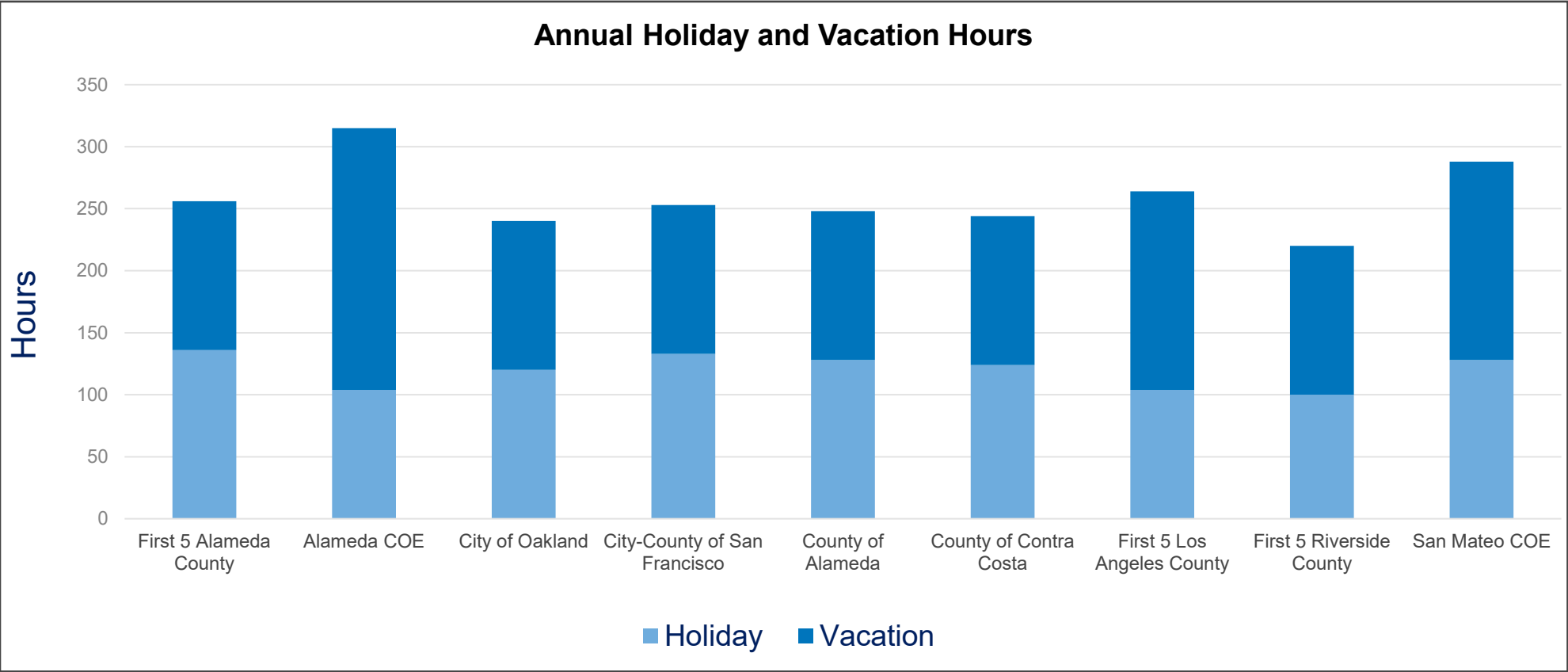


# Total Compensation Results: Health Benefits



**Average employer contribution is \$2,505 vs First 5 Alameda County’s \$3,367 = Highly Competitive with Market**

# Total Compensation Results: Paid Leaves



**Average leave time is 259 hours vs First 5 Alameda County’s 256 hours = Competitive with Market**

# Conclusion

- Proposed classification plan is designed to:
  - ✓ Reflect current duties and responsibilities
  - ✓ Adapt to evolving work environments and demands
  - ✓ Provide structure for progression and cross-training
- First 5 Alameda County's pay and benefits are competitive within the labor market
- Proposed compensation plan is designed to improve internal alignment and salary relationships and ensure First 5 remains competitive with market
- Agency policy and practice inform implementation considerations

# Questions? Thank you!

## **Project Team:**

Georg Krammer, Managing Director

Maggie Williams-Dalgart, Project Manager

Kari Mercer, Senior Consultant

Renate Tiner, Consultant

August 2025

# CLASSIFICATION STUDY REPORT

First 5 Alameda County



**Gallagher**

Insurance | Risk Management | Consulting

Formerly Koff & Associates

August 11, 2025

Ms. Detra Teal  
Chief Human Resources Officer  
1115 Atlantic Avenue  
Alameda, CA 94501

Dear Ms. Teal:

Gallagher is pleased to present the final classification study report of positions for First 5 Alameda County. The following report documents the classification study process and provides recommendations for the classification plan, allocations of individual positions for First 5 Alameda County employees, and classification specifications.

We are available to answer questions or clarify any points as you are implementing the findings and recommendations. It has been a pleasure working with you and we look forward to future opportunities to provide you with professional assistance.

Very truly yours,

A handwritten signature in cursive script that reads "Maggie Williams-Dalgart".

Maggie Williams-Dalgart  
Project Manager

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# Executive Summary

## Background

In May 2024, First 5 Alameda County (“Agency” or “First 5”) contracted with Gallagher to conduct a classification and total compensation study for all of the Agency’s classifications. All classification and compensation findings, recommendations, and options for implementations are in Volumes I and II, respectively. The following report contains the findings and recommendations for Volume I, the classification study, while Volume II is provided under separate cover.

This classification review process was precipitated by:

- The concern of management that employees should be recognized for the level and scope of work performed and that class descriptions reflect current programs, responsibilities, and technology;
- The recognition of the significant growth and change within the organization, including the addition of new positions, organizational restructuring, and reassignment of work; and
- The desire to ensure that internal relationships are based upon objective, non-quantitative evaluation factors, resulting in equity across First 5.

The classification study took place in the backdrop of First 5 Alameda County’s additional organizational and staffing changes. The full report that follows represents Gallagher’s study of First 5 Alameda County’s job classifications that were in effect at the time the study was launched. Since the start of the study, First 5 Alameda County has gone through additional growth and organizational change. While the study report reflects the majority of classifications within the organization, Gallagher recognizes there may be additional job classifications not captured in this report as they were very recently added to the organization. Gallagher’s recommendations, including new classification concepts and an updated classification plan, provides a framework for incorporating new roles and bodies of work when positions are added to the Agency.

## Classification Study Goals

The goals and objectives of the classification portion of the study were to:

- Obtain detailed information regarding each position through a variety of techniques, including written Position Description Questionnaires (PDQs) and interviews with employees and management;
- Prepare an updated classification plan, including recommended class descriptions and position allocations that recognizes the scope and level of the various classifications and positions, and is perceived equitable by management and employees alike;
- Provide class descriptions and other documentation that includes information required for compliance with the Fair Labor Standards Act (FLSA) and appropriate qualifications, including knowledge, skills, and other requirements that are job-related and meet other legal guidelines; and
- Provide sufficient documentation to allow First 5 to maintain the classification system on a regular basis.

# Classification Study Process

The classification study procedures were as follows:

- An initial meeting was held with First 5 management to clarify study scope, objectives, processes, and deliverables.
- Orientation meetings were held to which all employees were invited, to meet consultant staff involved with the project, clarify study objectives and procedures, answer questions, and distribute the PDQs.
- After the PDQs were completed by employees and reviewed by management and consultant staff, interviews were conducted with employees and management.
- Following the analysis of the classification information gathered, draft class concepts, specifications, and position allocations were developed for management and employee review.
- After resolution of issues, wherever possible, including additional contacts with employees and management to gain details and clarification, appropriate modifications were made to the draft specifications and allocations and this final report was prepared.

## Classification Concepts

### Positions vs. Classifications

“Position” and “Classification” are two terms that are often used interchangeably but have very different meanings. As used in this report:

- A position is an assigned group of duties and responsibilities performed by one person. A position can be full-time, part-time, regular or temporary, filled or vacant. Often the word “job” is used in place of the word “position.”
- A classification or class may contain only one position or may consist of a number of positions. When you have several positions assigned to one class, it means that the same title is appropriate for each position; that the scope, level, duties, and responsibilities of each position assigned to the class are sufficiently similar (but not identical) that the same core knowledge, skills, abilities, and other requirements are appropriate for all positions, and that the same salary range is equitable for all positions in the class.

The description of a position often appears as a working desk manual, going into detail regarding work process steps, while a class description emphasizes the general scope and level of responsibilities, plus the knowledge, skills, abilities, and other requirements for successful performance

When positions are classified, the focus is on assigned job duties and the job-related requirements for successful performance, not on individual employee capabilities or amount of work performed. Positions are thus evaluated and classified on the basis of such factors as knowledge, skills, and abilities required to perform the work, the complexity of the work, the authority delegated to make decisions and take action, the responsibility for the work of others and/or for budget expenditures, contacts with others (both inside and outside of the organization), and the impact of the position on the organization and working conditions.

## The Relationship Between Classification and Compensation

Classification and the description of the work and the requirements to perform the work are separate and distinct from determining the worth of that work in the labor market and to the organization. While recommending the appropriate compensation for the work of a class depends upon an understanding of what that work is and what it requires (as noted above), compensation levels are often influenced by two factors:

- The external labor market; and
- Internal relationships within the organization.

Compensation findings and recommendations for the Agency are covered in Volume II of this report.

## The Purpose of Having a Classification Plan

A position classification plan provides an appropriate basis for making a variety of human resources decisions such as the:

- Development of job-related recruitment and selection procedures;
- Clear and objective appraisal of employee performance;
- Development of training plans and succession planning;
- Design of an equitable and competitive salary structure;
- Organizational development and the management of change; and
- Provision of an equitable basis for discipline and other employee actions.

In addition to providing this basis for various human resources management and process decisions, a position classification plan can also effectively support systems of administrative and fiscal control. Grouping positions into an orderly classification system supports planning, budget analysis and preparation, and various other administrative functions.

Within a position classification plan, job classifications can either be broad (containing a number of positions) or narrow (emphasizing individual job characteristics). Broad job classifications are indicated when:

- Employees can be hired with a broad spectrum of knowledge, skill, and/or academic preparation and can readily learn the details of the Client, the department, and the position on-the-job; or
- There is a need for flexibility of the assignment within a department or an organization due to changing programs, technologies, or workload.

Individualized job classifications are indicated when:

- There is an immediate need to recruit for specialty knowledge and skills;
- There is a minimum of time or capability for on-the-job training; or
- There is an organizational need to provide for specific job recognition and to highlight the differences between jobs.

Most classification plans are a combination of these two sets of factors and we have chosen the middle ground in this study as being most practicable in the Agency's changing environment and service delivery expectations, as well as being in line with the Agency's strategic plan. This approach resulted in

recommendations to retitle classifications to more accurately reflect current responsibilities or use more contemporary titles (e.g. Communications Associate to Communications Technician), or to reclassify certain individuals into existing or entirely new classifications that more accurately reflect current responsibilities (e.g. Contracts & Budget Specialist to Contracts and Budget Analyst II). Detailed allocation recommendations are found in Appendix I of the report.

## Classification Descriptions

In developing the new and revised classification descriptions for all positions, the basic concepts outlined in the previous pages were utilized. The recommended class descriptions are included in Appendix II of this report.

As mentioned earlier, the class descriptions are based upon the information from the written PDQs completed by each employee, the individual job audit interviews (if required), and from information provided by employees and managers during the review processes. These descriptions provide:

- A written summary documenting the work performed and/or proposed by the incumbents of these classifications;
- Distinctions among the classes; and
- Documentation of requirements and qualifications to assist in the recruitment and selection process.

Just as there is a difference between a position and a class, there is also a difference between a position description and a class description. A position description, often known as a “desk manual”, generally lists each duty an employee performs and may also have information about how to perform that duty. A class description normally reflects several positions and is a summary document that does not list each duty performed by every employee. The class description, which is intended to be broader, more general and informational, is intended to indicate the general scope and level of responsibility and requirements of the class, not detail-specific position responsibilities.

The sections of each class description are as follows:

**Title:** This should be brief and descriptive of the class and consistent with other titles in the classification plan and the occupational area.

- The title of a classification is normally used for organization, classification, and compensation purposes within the Agency. Often working titles are used within a department to differentiate an individual. All positions have a similar level of scope and responsibility; however, the working titles may give assurance to a member of the public that they are dealing with an appropriate individual. Working titles should be authorized by Human Resources to ensure consistency within the Agency and across departmental lines.

**Definition:** This provides a capsule description of the job and should give an indication of the type of supervision received the scope and level of the work and any unusual or unique factors. The phrase “performs related work as required” is not meant to unfairly expand the scope of the work performed, but to acknowledge that jobs change and that not all duties are included in the class specification.

**Supervision Received and Exercised:** This section specifies which class or classes provide supervision to the class being described and the type and level of work direction or supervision provided to this class. The section also specifies what type and level of work direction or supervision the class provides to other

classes. This assists the reader in defining where the class “fits” in the organization and alludes to possible career advancement opportunities.

**Class Characteristics:** This can be considered the “editorial” section of the specification, slightly expanding the Definition, clarifying the most important aspects of the class and distinguishing this class from the next higher-level in a class series or from a similar class in a different occupational series.

**Examples of Typical Job Functions:** This section provides a list of the major and typical duties, intended to define the scope and level of the class and to support the Qualifications, including Knowledge and Skills. This list is meant to be illustrative only. It should be emphasized that the description is a summary document, and that duties change depending upon program requirements, technology, and organizational needs.

**Qualifications:** This element of the description has several sections:

- A listing of the job-related knowledge and skills required to successfully perform the work. They must be related to the duties and responsibilities of the work and capable of being validated under the Equal Employment Opportunity Commission’s Uniform Guidelines on Selection Procedures. Knowledge (intellectual comprehension) and Abilities (acquired proficiency) should be sufficiently detailed to provide the basis for selection of qualified employees.
- A listing of educational and experience requirements that outline minimum and alternative ways of gaining the knowledge and abilities required for entrance into the selection process. These elements are used as the basic screening technique for job applicants.
- Licenses and/or certifications identify those specifically required in order to perform the work. These certifications are often required by an agency higher than the Agency (i.e., the State), and can therefore be appropriately included as requirements.

**Physical Demands:** This section identifies the basic physical abilities required for performance of the work. These are not presented in great detail (although they are more specifically covered for documentation purposes in the PDQs) but are designed to indicate the type of pre-employment physical examination (lifting requirements and other unusual characteristics are included, such as “finger dexterity needed to access, enter, and retrieve data using a computer keyboard”) and to provide an initial basis for determining reasonable accommodation for ADA purposes.

**Environmental Conditions:** These can describe certain outside influences and circumstances under which a job is performed; they give employees or job applicants an idea of certain risks involved in the job and what type of protective gear may be necessary to perform the job. Examples are loud noise levels, cold and/or hot temperatures, vibration, confining workspace, chemicals, mechanical and/or electrical hazards, and other job conditions.

## Fair Labor Standards Act

One of the major components of the job analysis and classification review is the determination of each classification’s appropriate Fair Labor Standards Act (FLSA) status, i.e., exempt vs. non-exempt from the FLSA overtime rules and regulations.

As we review position description questionnaires and notes from the interviews, we analyze each classification’s essential functions to determine FLSA status. There are three levels for the determination of the appropriate FLSA status that are utilized and on which we base our recommendations. Below are the steps used for the determination of Exempt FLSA status.

**Salary Basis Test:** The incumbents in a classification are paid at least \$1,128 per week (\$58,656 per year), not subject to reduction due to variations in quantity/quality of work performed.

**Exemption Applicability:** The incumbents in a classification perform any of the following types of jobs:

- **Executive:** Employee whose primary duty is to manage the business or a recognized department/entity and who customarily directs the work of two or more employees. This also includes individuals who hire, fire, or make recommendations that carry particular weight regarding employment status. Examples: executive, director, owner, manager, supervisor.
- **Administrative:** Employee whose primary activities are performing office work or non-manual work on matters of significance relating to the management or business operations of the firm or its customers and which require the exercise of discretion and independent judgment. Examples: coordinator, administrator, analyst, accountant.
- **Professional:** Employee who primarily performs work requiring advanced knowledge/education and which includes consistent exercise of discretion and independent judgment. The advanced knowledge must be in a field of science or learning acquired in a prolonged course of specialized intellectual instruction. Examples: attorney, physician, statistician, architect, biologist, pharmacist, engineer, teacher.
- **Computer professional:** Employee who primarily performs work as a computer systems analyst, programmer, software engineer or similarly skilled work in the computer field performing a) application of systems analysis techniques and procedures, including consulting with users to determine hardware, software, or system functional specifications; b) design, development, documentation, analysis, creation, testing, or modification of computer systems or programs, including prototypes, based on and related to user or system design specification; or c) design, documentation, testing, creation or modification of computer programs based on and related to user or system design specifications; or a combination of the duties described above, the performance of which requires the same level of skills. Examples: system analyst, database analyst, network architect, software engineer, programmer.

**Job Analysis:** A thorough job analysis of the job duties must be performed to determine exempt status. An exempt position must pass both the salary basis and duties tests. The job analysis should include:

- Review of the minimum qualifications established for the job;
- Review of prior class descriptions, questionnaires, and related documentation;
- Confirmation of duty accuracy with management; and
- Review and analysis of workflow, organizational relationships, policies, and other available organizational data.

Non-exempt classifications work within detailed and well-defined sets of rules and regulations, policies, procedures, and practices that must be followed when making decisions. Although the knowledge base required to perform the work may be significant, the framework within which incumbents work is fairly restrictive and finite. (Please note that FLSA does not allow for the consideration of workload and scheduling when it comes to exemption status).

Finally, often a classification performs both non-exempt and exempt duties, so we analyze time spent on each type of duties. If a classification performs mostly non-exempt duties (i.e. more than 50% of his or her time), then the classification would be considered non-exempt.

## Classification Findings and Recommendations

### Classification Structure and Allocation Factors

The proposed classification plan provides the Agency with a systematic classification structure based on the interrelationship between duties performed, the nature and level of responsibilities, and other work-related requirements of the jobs.

A classification plan is not a stable, unchanging entity. Classification plans may be updated and revised by conducting classification studies that are organizational wide (review of all classifications and positions) or position specific. The methodology used for both types of studies is the same, as outlined above.

For either type of study, when identifying appropriate placement of new and/or realigned positions within the classification structure, there are general allocation factors to consider. By analyzing these factors, First 5 Alameda County will be able to change and grow the organization while maintaining the classification plan.

#### 1. Type and Level of Knowledge and Skill Required

This factor defines the level of job knowledge and skill, including those attained by formal education, technical training, on-the job experience, and required certification or professional registration. The varying levels are as follows:

##### A. The entry-level into any occupational field:

This entry-level knowledge may be attained by obtaining a high school diploma, completing specific technical course work, or obtaining a four-year or advanced college or university degree. Little to no experience is required.

##### B. The experienced or journey-level (fully competent-level) in any occupational field

This knowledge and skill level recognizes a class that is expected to perform the day-to-day functions of the work independently, but with guidelines (written or oral) and supervisory assistance available. This level of knowledge is sufficient to provide on-the-job instruction to a fellow employee or an assistant when functioning in a lead capacity. Certifications may be required for demonstrating possession of the required knowledge and skills.

##### C. The advanced level in any occupational field

This knowledge and skill level is applied in situations where an employee is required to perform or deal with virtually any job situation that may be encountered. Guidelines may be limited and creative problem solving may be involved. Supervisory knowledge and skills are considered as a separate factor and should not influence any assessment of this factor.

#### 2. Supervisory/Management Responsibility

This factor defines the staff and/or program management responsibility, including short and long-range planning, budget development and administration, resource allocation, policy and procedure development, and supervision and direction of staff.

**A. No ongoing direction of staff**

The employee is responsible for the performance of his or her own work and may provide side-by-side instruction to a co-worker.

**B. Lead direction of staff or program coordination**

The employee plans, assigns, directs, and reviews the work of staff performing similar work to that performed by the employee on a day-to-day basis. Training in work procedures is normally involved. If staff direction is not involved, the employee must have responsibility for independently coordinating one or more programs or projects on a regular basis.

**C. Full first-line supervisor**

The employee performs the supervisory duties listed above, and, in addition, makes effective recommendation and/or carries out selection, performance evaluation, and disciplinary procedures. If staff supervision is not involved, the employee must have programmatic responsibility, including development and implementing goals, objectives, policies and procedures, and budget development and administration.

**D. Manager**

The employee is considered management, often supervising through subordinate levels of supervision. In addition to the responsibilities outlined above, responsibilities include allocating staff and budget resources among competing demands and performing significant program and service delivery planning and evaluation. This level normally reports to the Department Head.

**E. Department Head**

The employee provides administrative direction and oversight for all functions and activities of the assigned department, typically managing department operations through subordinate levels of management. In addition to allocating staff and budget resources, responsibilities include setting departmental policy and directing strategic plans and initiatives to align departmental operations and activities with agencywide strategic goals established by Executive Management and/or the governing body.

**F. Executive Management**

The employee has total administrative responsibility for First 5 and reports to the Commission.

**3. Supervision Received****A. Direct Supervision**

Direct supervision is usually received by entry-level employees and trainees, i.e., employees who are new to the organization and/or position they are filling. Initially under close supervision, incumbents learn to apply concepts and work procedures and methods in assigned area of responsibility to resolve problems of moderate scope and complexity. Work is usually supervised while in progress and fits an established structure or pattern. Exceptions or changes in procedures are explained in detail as they arise. As experience is gained, assignments become more varied and are performed with greater independence.

**B. General Supervision**

General supervision is usually received by the experienced and journey-level employees, i.e., employees who have been in a position for a period of time and have had the opportunity to be trained and learn most, if not all, duties and responsibilities of the assigned classification.

Incumbents are cross trained to perform the full range of technical work in all of the areas of assignment.

At the experienced level, positions exercise some independent discretion and judgment in selecting and applying work procedures and methods. Assignments and objectives are set for the employee and established work methods are followed. Incumbents have some flexibility in the selection of steps and timing of work processes.

Journey-level positions receive only occasional instruction or assistance as new or unusual situations arise and are fully aware of the operating procedures and policies of assigned projects, programs, and team(s). Assignments are given with general guidelines and incumbents are responsible for establishing objectives, timelines, and methods to deliver work products. Work is typically reviewed upon completion for soundness, appropriateness, and conformity to policy and requirements, and the methodology used in arriving at the end results are not reviewed in detail.

### **C. General Direction**

General direction is usually received by senior level or management positions. Work assignments are typically given as broad, conceptual ideas and directives and incumbents are accountable for overall results and responsible for developing guidelines, action plans, and methods to produce deliverables on time and within budget.

### **D. Administrative and Policy Direction**

Administrative direction is usually received by executive management classifications. The incumbent is accountable for accomplishing Client-wide planning and operational goals and objectives within legal and general policy and regulatory guidelines. The incumbent is responsible for the efficient and economical performance of the organization's operations.

## **4. Problem Solving**

This factor involves analyzing, evaluating, reasoning, and creative thinking requirements. In a work environment, not only the breadth and variety of problems are considered, but also guidelines, such as supervision, policies, procedures, laws, regulations, and standards available to the employee.

### **A. Structured problem solving**

Employees learn to apply concepts and work procedures and methods in assigned area of responsibility and to resolve problems and issues that are specific, less complex, and/or repetitive. Exceptions or changes in procedures are explained in detail as they arise.

### **B. Independent, guided problem solving**

Work situations require making independent decisions among a variety of alternatives; however, policies, procedures, standards, and regulations and/or management are available to guide the employee towards problem resolution.

### **C. Application of discriminating choices**

Work situations require independent judgment and decision-making authority when identifying, evaluating, adapting, and applying appropriate concepts, guidelines, references, laws, regulations, policies, and procedures to resolve diverse and complex problems and issues.

#### **D. Creative, evaluative, or critical thinking**

The work involves a high level of problem-solving requiring analysis of unique issues or increasingly complex problems without precedent and/or structure and formulating, presenting, and implementing strategies and recommendations for resolution.

### **5. Authority for Making Decisions and Taking Action**

This factor describes the degree to which employees have the freedom to take action within their job. The variety and frequency of action and decisions, the availability of policies, procedures, laws, and supervisory or managerial guidance, and the consequence or impact of such decisions are considered within this factor.

#### **A. Direct, limited work responsibility**

The employee is responsible for the successful performance of his or her own work with little latitude for discretion or decision-making. Work is usually supervised while in progress and fits an established structure or pattern. Direct supervision is readily available.

#### **B. Decision-making within guidelines**

The employee is responsible for the successful performance of their own work, but able to prioritize and determine methods of work performance within general guidelines. Supervision is available, although the employee is expected to perform independently on a day-to-day basis. Emergency or unusual situations may occur but are handled within procedures and rules. Impact of decisions is normally limited to the work unit, project, or program to which assigned.

#### **C. Independent action with focus on work achieved**

The employee receives assignments in terms of long-term objectives, rather than day-to-day or weekly timeframes. Broad policies and procedures are provided, but the employee has latitude for choosing techniques and deploying staff and material resources. Impact of decisions may have significant program or Client-wide service delivery and/or budgetary impact.

#### **D. Decisions made within general policy or elected official guidance**

The employee is subject only to the policy guidance of elected officials and/or broad regulatory or legal constraints. The ultimate authority for achieving the goals and objectives of the Client are with this employee.

### **6. Interaction with Others**

This factor includes the nature and purpose of contacts with others, from simple exchanges of factual information to the negotiation of difficult issues. It also considers with whom the contacts are made, from co-workers and the public to elected or appointed public officials.

#### **A. Exchange of factual information**

The employee is expected to use ordinary business courtesy to exchange factual information with co-workers and the public. Strained situations may occasionally occur, but the responsibilities are normally not confrontational.

#### **B. Interpretation and explanation of policies and procedures**

The employee is required to interpret policies and procedures, apply and explain them, and influence the public or others to abide by them. Problems may need to be defined and clarified and individuals contacted may be upset or unreasonable. Contacts may also be made with individuals at all levels throughout the Client.

### **C. Influencing individuals or groups**

The employee is required to interpret laws, policies, and procedures to individuals who may be confrontational or to deal with members of professional, business, community, or other groups or regulatory agencies as a representative of the Client.

### **D. Negotiation with organizations from a position of authority**

The employee often deals with the Agency's County Commission, elected officials, government agencies, and other outside agencies, and the public to advance and represent the priorities and interests of the Agency, provide policy direction, and/or negotiate solutions to difficult problems.

## **7. Working Conditions/Physical Demands**

This factor includes specific physical, situational, and other factors that influence the employee's working situation.

### **A. Normal office or similar setting**

The work is performed in a normal office or similar setting during regular office hours (occasional overtime may be required but compensated for). Responsibilities include meeting standard deadlines, using office and related equipment, lifting materials weighing up to 25 pounds, and communicating with others in a generally non-stressful manner.

### **B. Varied working conditions with some physical or emotional demands**

The work is normally performed indoors, but may have some exposure to noise, heat, weather, or other uncomfortable conditions. Stand-by, call back, or regular overtime may be required. The employee may have to meet frequent deadlines, work extended hours, and maintain attention to detail at a computer or other machinery, deal with difficult people, or regularly perform moderate physical activity.

### **C. Difficult working conditions and/or physical demands**

The work has distinct and regular difficult demands. Shift work (24-7 or rotating) may be required; there may be exposure to hazardous materials or conditions; the employee may be subject to regular emergency callback and extended shifts; and/or the work may require extraordinary physical demands.

Based on the above factors, in the maintenance of the classification plan when an employee is assigned an additional duty or responsibility and requests a change in classification, it is reasonable to ask:

- What additional knowledge and skills are required to perform the duty?
- How does one gain this additional knowledge and skills – through extended training, through a short-term seminar, through on-the-job experience?
- Does this duty or responsibility require new or additional supervisory responsibilities?
- Is there a greater variety of or are there more complex problems that need to be solved as a result of the new duty?
- Are the impacts of decisions greater because of this new duty (effects on staff, budget, agency-wide activities, and/or relations with other agencies)?
- Is the employee interacting with internal and external stakeholders others more frequently or for a different purpose as a result of this new assignment?
- Have the working or physical conditions of the job changed as a result of this new assignment?

The analysis of the factors outlined above, as well as the answers to these questions, were used to determine recommended classifications for all the Agency's employees. The factors above will also help to guide the placement of specific positions to the existing classification structure and/or revision of entire classification structure in the future.

## Classification Allocation Recommendations

All class descriptions were updated in order to ensure that the format is consistent, and that the duties and responsibilities are current and properly reflect the required knowledge, abilities, and skills.

When evaluating the allocation of positions, the focus is on assigned job duties and the job-related requirements for successful performance, not on individual employee capabilities or amount of work performed. Positions are evaluated and classified on the basis of such factors as knowledge and skill required to perform the work, the complexity of the work, the authority delegated to make decisions and take action, the responsibility for the work of others and/or for budget expenditures, contacts with others (both inside and outside of the organization), the impact of the position on the organization, and working conditions.

Furthermore, it is necessary to: (i) identify the duties that the incumbents are currently being required to perform; (ii) determine if those duties are captured in the current classification description; and (iii) identify the percentage of duties being performed, if any, which are outside of the current classification.

## Title Change

Gallagher recommends title changes for the following classifications.

**Table 1. Title Change Recommendations**

Current Classification Title	Proposed Classification Title
Accounting Manager	Accountant
Payroll & Finance Manager	Accountant
Senior Administrator, Finance	Accounting Supervisor
Accounts Payable Specialist	Accounting Technician
Administrative Associate	Administrative Assistant
Administrative Associate, Human Resources	Administrative Assistant
Applications Administrator	Business Systems and Applications Analyst
Child Development Care Coordinator	Child Development Care Specialist
Communications Specialist	Communications Liaison
Communications Associate	Communications Technician
Centralized Eligibility & Enrollment Coordinator	Data Analyst II
Data & Policy Analyst	Data Analyst II
Director of Planning	Director of Strategic Initiatives and Planning
Senior Administrator, Early Care & Education Fiscal Operations	ECE Data Management Officer
Family Support Care Coordinator	Family Services Specialist
Member Outreach Care Coordinator	Family Services Specialist
Help Me Grow Child Development Care Coordinator Manager	Family Services Supervisor
Member Outreach Care Coordinator Manager	Family Services Supervisor

<b>Current Classification Title</b>	<b>Proposed Classification Title</b>
Human Resources Analyst	Human Resources Analyst I
Senior Human Resources Analyst	Human Resources Analyst II
Senior Administrator, Human Resources	Human Resources Supervisor
Information Technology Specialist	Information Technology Technician
	Manager, Data & Insights
Help Me Grow Community Liaison	Pediatric Care Community Coordinator
Pediatric Quality Improvement Specialist	Pediatric Quality Improvement Coordinator
Senior Administrative Associate	Program Assistant
Senior Associate, Programs	Program Assistant
Family & Community Support Programs Manager	Program Manager
Fathers Corps Program Manager	Program Manager
Help Me Grow Prevention Administrator	Program Manager
Help Me Grow Senior Community Liaison	Program Manager
Help Me Grow Services Program Administrator	Program Manager
Program Administrator, Early Care & Education	Program Manager
Program Administrator, Neighborhoods Ready for School	Program Manager
Provider Support Manager	Program Manager
Senior Administrator, Early Care & Education, Facilities	Program Manager
Training Administrator	Program Manager
Project Manager	Project Planner
Quality Improvement Navigator	Quality Improvement Coach
Developmental Screening Coach	Quality Improvement Coach
QECE Program Manager	Quality Improvement Manager
Senior Associate, Training	Senior Administrative Assistant
Senior Salesforce Administrator	Senior Business Systems and Applications Analyst
Contracts and Budget Administrator	Senior Contracts and Budget Analyst
Senior Administrator, Policy	Senior Government Affairs and Policy Analyst
Senior Administrator, Early Care & Education	Senior Program Manager
Senior Administrator, Early Care & Education Provider Partnerships	Senior Program Manager
Senior Administrator, Early Care & Education Workforce Development	Senior Program Manager
Planning Coordinator	Strategic Initiatives and Planning Associate
Technology Officer	Technology Supervisor

Title changes are recommended to reflect the level and scope more clearly being performed, to consolidate work into broader categories that could be used Agency-wide, as well as establish consistency with the labor market and industry standards. Any compensation recommendations (detailed in Volume II) are not dependent upon a new title, but upon the market value as defined by job scope, level and responsibilities,

and the qualifications required for successful job performance. All recommended position allocations in Appendix I.

## Reclassification

Reclassification recommendations are made for positions that are working out of class due to level and scope of work and/or job functions that have been added or removed from those positions over time.

The study resulted in sixteen incumbents, allocated to twelve classifications, to be reclassified, as noted in the table below. These recommendations are based on the individual positions interviewed. Not every incumbent in the current classification is recommended for a reclassification.

**Table 2. Reclassification Recommendations**

Current Classification Title	Proposed Classification Title
Contracts & Budget Specialist	Contracts and Budget Analyst I/II
Senior Associate, ECE	Data Coordinator
Administrative Associate, HMG	Program Assistant
Administrative Associate, Programs	Program Assistant
Data & Policy Analyst	Senior Data Analyst
Senior Administrative Associate	Senior Program Assistant
Senior Associate, ECE	Senior Program Assistant
Fathers Corp Program Administrator	Senior Program Manager
Parent Engagement Administrator	Senior Program Manager
Senior Administrator, Community Programs	Senior Program Manager
Senior Administrator, Pediatric Care Coordination	Senior Program Manager
Applications Administrator B	Technology Analyst

## New Classifications

The study resulted in one new classification. We identified the need for a senior level in the accountant class series to show a clear career progression from the journey level Accountant classification into an advanced journey level below the Accounting Supervisor. Due to this progression, we created the Senior Accountant classification.

## Classification Elimination

With the creation of a broad classification in the Quality Improvement Coach, and the incumbent in the Quality Improvement Navigator role no longer being with the Agency, we have eliminated this classification.

## Conclusion

The revised classification descriptions serve as a general description of the work performed and provide a framework of the expectations of each position for the employee. Requests for the addition of new positions and classifications and/or reclassification of an existing position should follow established Agency policies and procedures. Any decisions related to the addition of new positions and classifications, reclassification of an existing position, and promotion of an existing position will depend on the needs and resources of the Agency and the availability of work, as well as the ability of existing positions to meet the qualifications of and perform the duties of the higher-level class.

Finally, as mentioned previously, a classification plan is not a static, unchanging entity. The classification plan should be reviewed on a regular, on-going basis and may be amended or revised as required.

It has been a pleasure working with First 5 Alameda County on this critical project. Please do not hesitate to contact us if we can provide any additional information or clarification regarding this report.

Respectfully submitted by,

Gallagher, Formerly Koff & Associates

Maggie Williams-Dalgart  
Project Manager

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**Gallagher**

Insurance | Risk Management | Consulting

**August 2025**

# **TOTAL COMPENSATION STUDY REPORT**

**First 5 Alameda County**



**Gallagher**

Insurance | Risk Management | Consulting

Formerly Koff & Associates

# Executive Summary

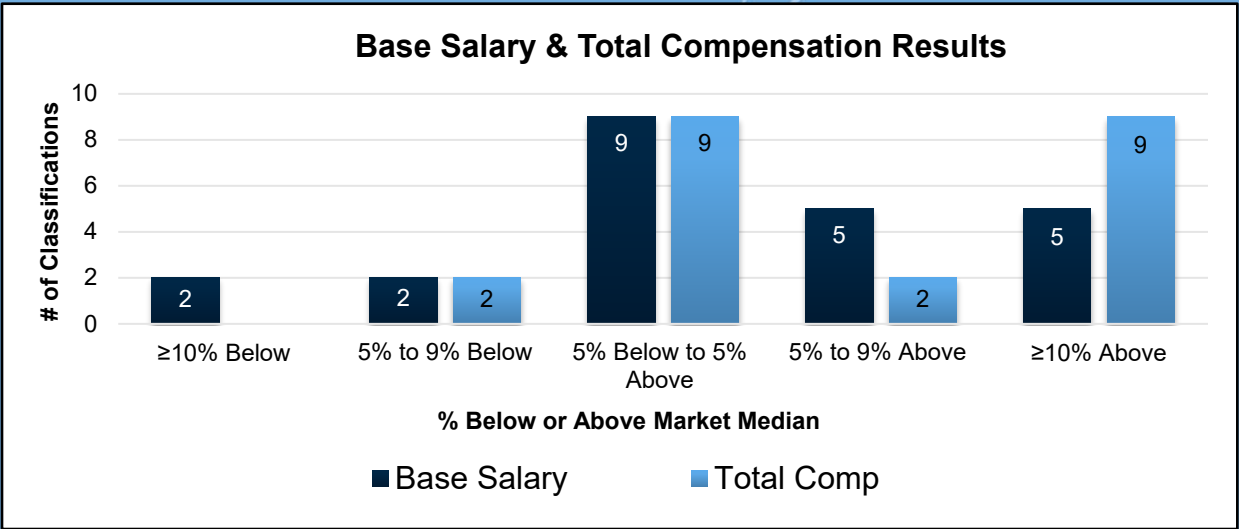
In February 2025, Gallagher, formerly Koff & Associates, commenced a Total Compensation Study on behalf of First 5 Alameda County. The purpose of the Compensation study was to develop a competitive compensation plan that allows First 5 Alameda County to recruit and retain top talent, that meets the organization’s needs and establishes internal and external pay equity based upon objective, non-quantitative evaluation factors.

The labor market for this study included nine (9) agencies and represented a mix of public agencies within the local region which have services and programs comparable to First 5 Alameda County. Thirty-four (34) of First 5 Alameda County’s classifications were then selected as “benchmarks” for the purpose of collecting salary and benefits data within the labor market. Benchmark classifications are those jobs that are expected to be common in the labor market such that adequate samples of data can be collected.

Market data was collected during the months of March through April 2025. During the data collection process, a standardized method of data collection was applied to ensure comparability in the data reporting. The complete list of market findings is provided in Table 1 of the Executive Summary.

The survey results indicate that First 5 Alameda County’s benchmark salaries are, on average, **4.0% above market median for base salary**. To develop “total compensation”, the value of the agency’s benefits (retirement/pension, health insurance, and leaves) are added to base salary and then compared similarly to the labor market. The survey results indicate that total compensation for First 5 Alameda County is, on average, **6.6% above market median for total compensation**. When comparing base salary and total compensation, there is a 2.6% “gain” in market position when considering First 5 Alameda County’s benefits offerings.

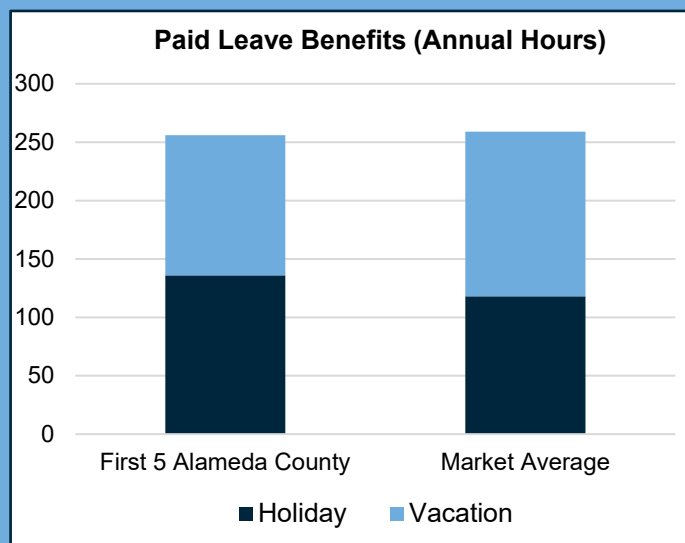
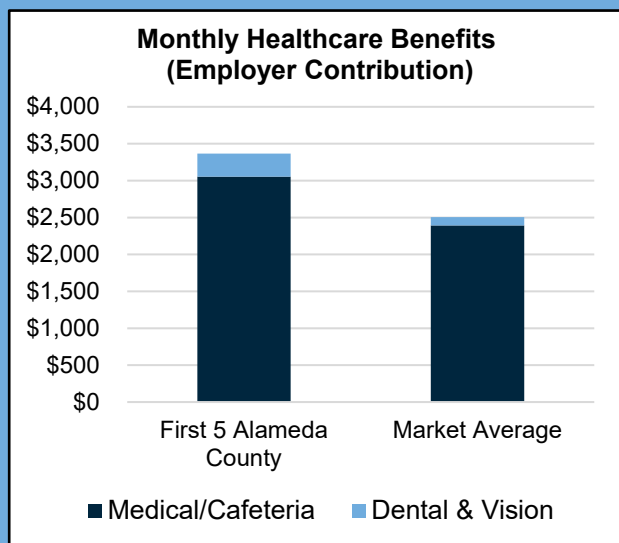
When analyzing survey data, Gallagher deems a classification to be competitive with the market if it falls within 5% (above or below) the median. Based on this criterion, Gallagher has identified that four (4) of the benchmark classifications fall below this threshold and are therefore not considered competitive with the market.



The benefits analysis indicates that First 5 Alameda County's total compensation package is, on the whole, competitive within the labor market.

**Health Insurance:** Survey results indicate First 5 Alameda County generally exceeds the market in total contributions toward health insurance. The market average combined contribution for family level medical, dental, and vision coverage is \$2,506, compared to the First 5's monthly contribution of \$3,367.

**Paid Leaves.** The survey data reflects that First 5 Alameda County is at market in holiday and vacation paid leave benefits with 256 hours versus comparator agency average of 259 hours.



**Retirement Benefits:** The survey included an examination of retirement-related benefits, including defined benefit plans (i.e., pension and Social Security) and defined contribution (e.g., 457 plans). First 5 Alameda County was found to be competitive with the market in terms of plan offerings.

The market data is designed to be a tool to help First 5 Alameda County develop a competitive compensation plan to attract and retain talent and the survey results for the 34 benchmark classifications are used to anchor the agencies classifications to the market. Following analysis of market findings and in designing the compensation plan, Gallagher recommends the following salary adjustments:

	No Change	1% to 5% Range Increase	>5% Range Increase	Range Decrease	Proposed New
Number of Job Classifications	32	13	7	8	14

Implementing the survey involves various considerations, including First 5 Alameda County's history with similar actions, available resources and ability to make adjustments. Gallagher appreciates the opportunity to conduct this study for First 5 Alameda County and is available to provide further guidance as First 5 Alameda County proceeds with implementation.



**Gallagher**



**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:** August 21, 2025

**Subject:** Revisions to First 5 Alameda County Financial Policies

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#### **ACTION REQUESTED**

Review and approve revisions to the Financial Policies.

#### **BACKGROUND**

First 5 Alameda County (First 5) originally adopted its Financial Policies on June 24, 2004. The policies are periodically reviewed to ensure alignment with state and federal requirements, Governmental Accounting Standards Board (GASB) principles, and operational best practices. The current revisions respond to First 5's expanded role under the Children's Health and Child Care Initiative for Alameda County (Measure C), as well as general updates to improve clarity, consistency, and structure across the full document.

Revisions were developed by staff in consultation with Kevin Harper, CPA, and agency legal counsel.

#### **Summary of Revisions**

##### **1. Accounting, Financial Reporting & Auditing**

This section was updated to incorporate fund accounting practices, including the use of Special Revenue Funds for restricted sources such as Measure C and the Oakland Children's Initiative (Measure AA). Language now specifies how First 5 distinguishes and tracks activity across the General Fund and restricted funds, in accordance with governmental accounting standards.

##### **2. Financial Reserves and Goals**

Updates include the creation of a new Measure C Reserve Fund to be maintained separately from the existing Children's Sustainability Fund. The Measure C Reserve Fund will hold a minimum of \$150 million to ensure adequate working capital for grant disbursement, program continuity, and multi-year commitments under the 5-Year and Annual Expenditure Plans.

### 3. Administrative Costs

- This section describes First 5's fee-for-service approach to administrative cost recovery, in which fees are charged to programs and funding sources based on agreed-upon rates established in contracts, MOUs, or financial agreements.

### 4. Revenue Accounting

This section now includes specific provisions for the classification and tracking of Measure C revenues as restricted funds, consistent with GASB guidance.

### 5. Investments

The Investment Policy was updated to reflect First 5's expanded responsibilities following the passage of Measure C and to strengthen investment practices through enhanced diversification, transparency, and alignment with ethical investment standards. Key revisions include:

- **Applicability Section:** Expanded to reference the addition of Measure C as a major funding source, clarifying the policy's coverage of all public funds held by First 5, including those restricted for specific uses.
- **Authorized Investments:** Enhanced description of federal agency securities and introduced a 30% limit on agency exposure to promote diversification. Also added clarifying language on Local Government Investment Pools (LGIPs) as allowable vehicles.
- **Social and Environmental Considerations:** Incorporated Responsible and Ethical Investment Criteria aligned with the County of Alameda's standards. This includes screening out sensitive industries and using third-party ESG ratings (e.g., S&P Capital IQ) as part of the pre-purchase due diligence process.

Throughout the document, edits were made to incorporate Measure C revenue, improve clarity, update references, and ensure consistency in language, structure, and terminology.

### FISCAL IMPACT

There is no fiscal impact.

### RECOMMENDATION

Approve revisions to the Financial Policies.


**AGENDA ITEM 7a**

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# First 5 Alameda County Financial Policies

Updated ~~December 2024~~August 2025

## First 5 Alameda County Financial Policies

### Introductory Section

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

F5AC is governed by nine commissioners who are appointed by the Alameda County Board of Supervisors. F5AC's primary funding source is Proposition 10 tobacco taxes. F5AC receives funding from multiple public sources, including Proposition 10 tobacco taxes and the Children's Health and Child Care Initiative for Alameda County (Measure C), a voter-approved sales tax that supports pediatric health care and early education services. F5AC is the named Administering Agency for the Child Care, Preschool, and Early Education Account—representing 80% of the total Measure C funding—which supports child care, preschool, and early education services in Alameda County.

As a legally separate and fiscally independent agency, F5AC has the responsibility to establish and maintain sound financial policies that will assure F5AC's continuing ability to achieve its goal of improving health and developmental outcomes of children in Alameda County ages 0 to 5. The overriding fiscal policy of F5AC is to maintain programs at a constant level of funding as indicated in the current strategic plan and a 10 Year Long Range Financial Plan in the face of declining Proposition 10 revenue stream by strategically drawing from reserves. The financial policies also support F5AC's broader role in administering large-scale public investments such as Measure C.

The goal of establishing the financial policies as detailed herein is to provide F5AC management with appropriate guidance to facilitate management decisions and to document the Commission's delegation of decision making to management. Management will implement these policies through adoption of an agency Procedures Manual which includes financial management procedures documented in processes.

## First 5 Alameda County

### Financial Policies

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I. **Fund Accounting, Financial Reporting & Auditing**  
5/26/2022 Revised 8/21/2025

**Adopted**

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

- A. A comprehensive accounting process will be maintained to provide complete and timely financial information necessary to effectively operate F5AC.
- B. Accounting procedures will be documented to guide employees in their tasks, to assure consistency in F5AC's accounting practices, and to assist during employee turnover (see First 5 Alameda County Procedures Manual).
- C. F5AC will follow the financial reporting standards established by the Governmental Accounting Standards Board.
- D. The Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance") will serve as the basis in ensuring appropriate use of federal funds and oversight of federally-funded awards.
- E. An annual audit will be performed by an independent certified public accountant in accordance with the requirements of California law, First 5 California, the contract with Alameda County, and the Uniform Guidance.
- F. F5AC will prepare and issue timely quarterly financial reports to F5AC's management and staff comparing budgeted and actual expenditures for the period and will provide more frequent reports as requested. It will also prepare and issue a six-month mid-year report for budget review purposes.
- G. To the extent possible, F5AC shall organize and assign work duties and responsibilities so that no single employee performs a complete accounting cycle. Employees with access to cash and other physical assets will not also have access to the accounting records. Established procedures shall require proper authorizations by designated persons for all significant actions taken.

**Fund Accounting**

F5AC maintains its financial records using fund accounting in accordance with governmental accounting standards. Revenues and expenditures are recorded in separate funds based on legal, contractual, or programmatic requirements.

F5AC utilizes the following fund classifications:

- **General Fund:** Used to account for all financial activity not required to be reported in a separate fund. This includes Proposition 10 revenues and other unrestricted or general-purpose funding.
- **Special Revenue Funds:** Used to account for revenues that are legally restricted or committed to specific purposes. F5AC currently maintains Special Revenue Funds for Measure C and Measure AA (Oakland Children's Initiative).

Each fund is tracked separately to ensure appropriate use of resources, compliance with external requirements, and transparency in reporting. Fund activity is incorporated into the agency's annual budget, financial reports, and external audits.

## II. Risk Management and Internal Control

Adopted 2/8/2024

### Purpose

This policy provides guidelines to ensure that F5AC maintains a strong risk management program and internal control system focused on accountability and oversight of operations to reasonably assure that F5AC:

- Identifies, assesses and controls the primary risks that could keep it from achieving its mission, goals and objectives;
- Safeguards assets;
- Provides accurate and reliable financial information;
- Operates efficiently and effectively; and
- Adheres to applicable laws, regulations, policies, and contracts.

### Risk Management

The Committee of Sponsoring Organizations of the Treadway Commission (COSO) developed an internal control framework that is the most commonly used framework by organizations. It defines enterprise risk management as:

“...a process, effected by an entity’s board of directors, management and other personnel, applied in strategy setting and across the enterprise, designed to identify potential events that may affect the entity, and manage risk to be within its risk appetite, to provide reasonable assurance regarding the achievement of entity objectives.”

Effective risk management ensures the continuity of government operations. The Chief Financial Officer (CFO) shall coordinate an organization-wide risk assessment with the Deputy Chief Executive Officer (DCEO), Chief Operating Officer (COO) or designee once every three years. Following are the key steps in the risk assessment project:

1. **Risk Identification** – F5AC management and employee experts shall identify risks that could keep it from meeting its mission, goals and objectives. Risk identification should identify at a minimum the exposures in each of these areas:
  - Physical environment (natural or man-made disasters and infrastructure);
  - Legal environment (laws and legal precedents) and litigation risks;
  - Operational environment (day-to-day activities and actions within F5AC, including services provided and workforce demographics);
  - Political environment (legislative activity, elections);
  - Social environment (socio-economic composition of the community);
  - Economic environment (market trends, interest rates);
  - Internal environment (the attitude of individuals towards risk);
  - Cybersecurity (protecting sensitive data); and
  - Emerging risks.
2. **Risk Evaluation** – The frequency and severity of identified risks should be estimated by management and employee experts. Risks should be prioritized based on their estimated frequency and severity. For each key risk, senior management should determine whether controls already in place are adequate to mitigate the risk to an acceptable level.

3. **Risk Mitigation** – For risks that senior management determines are not adequately mitigated, the next step is to decide how best to treat the exposures. Management may select a variety of risk responses, including:
  - Accept the risk – Revise F5AC’s tolerance for risk and conclude that the resulting exposure is acceptable. “Accept” is best used for risks related to F5AC’s core activities.
  - Avoid the risk – Change the objective so F5AC is no longer exposed to the risk. In other words, don’t perform the activity that gives rise to the risk. “Avoid” is best used for risks that are not related to the government’s core activities.
  - Control the risk – Enhance internal controls so the resulting exposure is managed to an acceptable level. “Control” is best used for risks with high likelihood of occurrence and/or that recur regularly.
  - Transfer the risk – Transfer the risk to another party through contract, ordinance, insurance, or public-private partnership. “Transfer” is frequently used when activities are being provided jointly with a contractor, subrecipient, or partner.
4. **Documentation and Program Review** - The tri-annual risk assessment shall be documented in a Risk Assessment Report and presented to the Commission. It shall include:
  - List of key risks identified;
  - List of key controls already in place to mitigate each risk identified;
  - Management conclusion whether each key risk is adequately mitigated; and
  - An action plan to further mitigate risk for any key risk concluded as not being adequately mitigated.

Between tri-annual risk assessments, F5AC senior management shall continually (a) scan the environment for emerging risks, (b) consider changes to the expected frequency and severity of identified risks based on new information, and (c) evaluate the effectiveness of risk mitigation activities. The risk management model and related risk mitigation strategies shall be updated accordingly.

#### **Internal Control System**

F5AC shall implement an effective system of internal controls, which includes, but is not limited to:

- **Segregation of Duties** – To prevent the occurrence of undetected errors or fraud, responsibilities shall be divided so that one individual does not control all aspects of a transaction;
- **Safeguarding Assets** – Assets shall be kept secure at all times to prevent unauthorized access, loss or damage;
- **Employee Competence** – Employees shall be selected and trained to ensure they are competent to perform their assigned tasks and act with professional integrity;
- **Safeguarding Information** – Personal and private information shall be protected against anticipated threats to its security or integrity, and guard against unauthorized access and use;
- **Review and Approval** – Every important process and transaction shall be reviewed and approved by a knowledgeable party who was not involved in the transaction; and
- **Documentation** – Evidence for transactions shall be maintained to support accuracy and consistency.

Internal controls, which occur throughout the organization at all levels and functions, include all plans and actions taken by F5AC to minimize the risks to achieving its mission, goals and objectives. Internal controls are the responsibility of the individuals performing F5AC's operations and every employee is responsible for ensuring that the system is effective.

An effective internal control system provides reasonable rather than absolute assurance that F5AC will achieve its mission, goals and objectives. Reasonable assurance is a concept that recognizes the cost of internal controls should not exceed the benefits. Managers must use judgment and estimates to assess cost, benefit, and risk and develop controls that support achievement of goals and adequately safeguard assets, provide reliable information, and meet compliance requirements.

### **Roles and Responsibilities**

#### ***Commission, Chief Executive Officer (CEO), and Deputy CEO***

- Continue to promote a culture that embraces an effective internal control system and risk management program.
- Provide necessary resources to support the internal control system and risk management program.
- Set strategic objectives for risk management, aligning them with organizational goals.

#### ***Chief Financial Officer (CFO)***

- Champion efforts related to financial risk management, including budgetary, credit, and liquidity risks.
- Ensure robust financial controls and accurate financial reporting.
- Conduct financial risk assessments and manage financial compliance.
- Coordinate with auditors for financial control verification.

#### ***Chief Operating Officer (COO)***

- Oversee operational risk management, focusing on daily activities and organizational processes.
- Implement and monitor operational controls, ensuring efficiency and effectiveness.
- Conduct technology risk assessments and manage technology compliance.
- Ensure operational alignment with risk strategies and manage crisis and continuity planning.

#### ***Compliance Officer***

- Lead the development and maintenance of a compliance framework to manage regulatory and legal risks.
- Conduct compliance risk assessments and audits.
- Develop policies and procedures for legal and regulatory compliance.
- Provide compliance-related training and guidance to all staff.

#### ***Directors, Officers, Administrators, Managers, and Supervisors***

- Maintain and support an effective system of internal controls within their areas of responsibility.
- Create a control environment compliant with F5AC policies and procedures.
- Coordinate with the CFO, COO, and Compliance Officer in reviewing internal controls and conducting risk assessments.

- Identify and address control weaknesses, implementing corrective actions.

***All Employees***

- Monitor their work to ensure adherence to proper procedures and prompt error correction.
- Comply with all F5AC policies and procedures.
- Protect resources against waste, loss, unauthorized use, and misappropriation.
- Participate in education and training programs on risks and controls.
- Report breakdowns in internal controls to their supervisor.

### III. Financial Reserves and Goals

Adopted

~~6/15/2023~~ Revised 8/21/2025

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

#### Long Range Financial Planning

- A. ~~F5AC will maintain the Children's Sustainability Fund in accordance with the 10 Year Long Range Financial Plan established by the Commission on March 25, 2004, and any subsequently approved Long Range Plans. Prudent use of reserves will enable F5AC to maintain programs at a constant level of funding through the following strategic plans through 2025 in the face of declining Proposition 10 revenues.~~
- B. ~~F5AC will maintain specific reserves required by law and/or debt covenants and any general reserve requirements as may be set from time to time by the Commission. F5AC will maintain an amount in the Children's Sustainability Fund, at a minimum, equal to six months of the corresponding fiscal year's Prop 10 operating expenses, and to cover fiscal obligations under the Reduction in Workforce Policy.~~
- C. ~~F5AC will maintain sufficient reserves to support the cost of reimbursement in the case of audit exception in federal fiscal leveraging.~~
- D. ~~The Commission may approve use of the Children's Sustainability Fund during the fiscal year to support budgeted activities with adjustments to be made to the corresponding Long Range Financial Plan.~~
- E. ~~Unspent funds at year end will close to the Children's Sustainability Fund.~~

#### Reserve Policy

Adequate reserves position an organization to effectively plan ~~to fund for~~ the services it provides ~~as well as meet and respond to~~ unplanned needs caused by economic downturns, ~~revenue reductions~~, outside agency actions, ~~revenue reductions~~, natural disasters, and other unexpected emergencies.

#### A. Strategic Reserve Planning

The Commission will adopt a Long Range Financial Plan that enables First 5 Alameda County (F5AC) to maintain programs at a constant level of funding through the current Commission-approved ~~strategic plan~~ Strategic Plan, even in the face of declining Proposition 10 revenues. ~~F5AC will maintain reserves in accordance with this Long Range Financial Plan.~~

#### B. Children's Sustainability Fund (General Fund – Prop 10)

A. ~~F5AC shall maintain amounts in the Children's Sustainability Fund in accordance with the Long Range Financial Plan to support Proposition 10-funded programs. At a minimum, the amount in the Children's Sustainability Fund shall exceed six months of the corresponding fiscal year's Prop 10 operating expenses and to cover fiscal obligations under the Reduction in Workforce Policy.~~ fund balance shall:

~~B. In addition to the Children's Sustainability Fund, F5AC will maintain sufficient reserves to support the cost of reimbursement of grant proceeds in the event of audit exceptions. It will maintain other reserves required by law and/or debt covenants and any general reserve requirements as may be set from time to time by the Commission.~~

- ~~• Exceed six months of the corresponding fiscal year's Proposition 10 operating expenses; and~~
- ~~• Cover fiscal obligations under the Reduction in Workforce Policy.~~

~~C. The Commission may approve use of the Children's Sustainability Fund to support budgeted activities, with appropriate adjustments made to subsequent annual budgets to restore the balance of the Children's Sustainability Fund fund within three years. Unspent General Fund dollars at year-end will close to the Children's Sustainability Fund.~~

### C. Measure C Reserve Fund (Special Revenue Fund – Measure C)

~~F5AC. Unspent funds at year end will close to the Children's Sustainability Fund. shall establish and maintain a separate reserve fund for Measure C to reflect its fiduciary responsibilities as the Administering Agency for the Child Care, Preschool, and Early Education Account. This reserve shall be distinct from the Children's Sustainability Fund and used exclusively to support Measure C-funded programs and operations.~~

~~The Measure C Reserve Fund shall be maintained at a minimum balance of \$150 million, representing the approximate annual allocation of sales tax revenue to early childhood education under Measure C.~~

~~This reserve is intended to:~~

- ~~• Ensure the availability of working capital to support timely disbursement of grant funds;~~
- ~~• Uphold multi-year funding commitments and program continuity;~~
- ~~• Provide a fiscal buffer against revenue delays, economic disruptions, or other unforeseen contingencies affecting Measure C revenue or expenditures.~~

~~Reserve strategies for Measure C shall be guided by the adopted 5-Year Plan and Annual Expenditure Plan and reviewed annually as part of the Commission's financial planning process.~~

### D. Audit, Legal, and General Contingency Reserves

~~In addition to the Children's Sustainability Fund and the Measure C Reserve Fund, F5AC will maintain sufficient reserves to:~~

- ~~• Support reimbursement of grant proceeds in the event of audit exceptions;~~
- ~~• Meet any other reserve requirements established by law, contract, or debt covenants; and~~
- ~~• Address general contingency needs as may be set from time to time by the Commission.~~

### Fund Balance Classification

~~D.~~

~~E.~~ Fund balance is defined as the excess of assets over liabilities. Fund balance is reported in the following categories, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 54:

- **Nonspendable** – ~~includes~~Includes amounts that cannot be spent because they are ~~either (a) not in spendable form or (b) legally or contractually required to be maintained intact.~~ Nonspendable amounts are determined before all other classifications of fund balance and consist of the following: (e.g., inventory, long-term receivables, inventory of supplies, prepaid items, corpus (principal) of any permanent funds that are legally or contractually, or are legally required to be maintained intact, and nonfinancial assets held for resale. (e.g., corpus of permanent funds).
- **Restricted** – ~~includes~~Includes amounts ~~that can be spent only for the~~constrained to specific purposes ~~stipulated by the constitution, by~~ external ~~resource providers, parties~~ or through enabling legislation.
- **Committed** – ~~includes~~Includes amounts that can be used only for ~~the~~ specific purposes determined by ~~a~~ formal action of the Commission.
- **Assigned** – ~~includes remaining amounts not classified in Special Revenue Funds as any of the about or amounts intended to be used for specific purposes but do not meet the criteria to be classified as restricted or committed. The Commission delegates to the~~Includes intended uses established by the Chief Executive Officer or ~~his/her~~ designee ~~the authority to assign amounts to be used for specific purposes. Such assignments cannot exceed, within the available (spendable, unrestricted, uncommitted) fund balance.~~
- **Unassigned** – ~~includes~~Includes all residual amounts not ~~included~~classified in the ~~other fund balance classifications above categories.~~

~~F.~~ When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it is the policy of F5AC to use the most restrictive funds first.

#### IV. Budget Policy

Adopted 6/15/2023

##### Purpose

The budget is the central financial planning document that encompasses all revenue and expenditure decisions. Once adopted, the budget appropriates funds, establishes legal expenditure limits for the upcoming fiscal year, and provides staff with the authority to incur liabilities to provide services.

The purpose of this Budget Policy is to clarify the budget process, define roles and responsibilities, establish timelines, define a balanced budget, and establish the level of budgetary control.

##### Preparation Process

Detailed line-item budgets are prepared for each program. Budget instructions are issued to the operating departments, who are responsible for submitting initial budget proposals. Initial budget proposals are composed of estimates of anticipated revenues and expenditures with the goal of presenting a balanced budget for each program. These proposals are reviewed and the entity-wide budget is prepared by the Chief Financial Officer, Finance Administrator and designated staff. The Chief Executive Officer reviews the budget and the budget packet is presented to the Commission for the first reading in April and for final review and approval in June. The Commission adopts, by resolution, a budget by June 30 for the ensuing fiscal year, and may include a request for a second year, in principle, to allow for contracting to span more than one year, if funding allows extended terms.

The annual budget will be a balanced budget. A balanced budget is defined to mean that anticipated revenues plus beginning available fund balance equals or exceeds anticipated expenditures.

F5AC manages the budget at the Strategy (cost center program) level (i.e., each program will not overspend its budget). Operating department managers are responsible for ensuring that actual expenditures do not exceed budgeted appropriations each fiscal year. Accountability is at the “bottom line” level, meaning that every line item need not be equal or less than budget as long as total program expenditures are.

##### Budget Monitoring

**Quarterly Financial Reports.** Finance staff prepares and distributes a financial report quarterly that compares fiscal year to date actual results to budgeted amounts by program. It is critical that program managers review the monthly financial reports for their budget units regularly to ensure that their budgets are in the black.

**Monthly General Ledger Reports.** Finance staff prepares and distributes monthly general ledger reports with year-to-date detailed transactions. Program managers review to confirm accurate coding to cost centers, programs and funding sources.

**Commission Reports.** The Chief Financial Officer prepares reports for the Commission each February—reporting current year actual revenue and expenditure results to budgeted amounts by program and by fund.

**Mid-Year Budget Modification and Review.** The Chief Financial Officer prepares a financial report of budgeted vs. actual revenues and expenditures by strategy approximately six months after the beginning of each fiscal year. The Commission formally reviews F5AC’s financial condition and amends budgeted appropriations, if needed.

**Annual Reports on Departmental Spending.** At the end of each fiscal year, program and operating departments review concise reports that analyze departmental spending for each of their programs. These reports, prepared by Finance, will compare budget appropriations with actual expenditures by program and by type, identify reasons for any significant budget overages or underages, and analyze their impact on future operating budgets (i.e., are the variances one-time in nature or will they affect future budgets?).

### **Budget Amendments**

Amendments to the budget (increases or reductions in revenues and/or expenditures) may be required for a variety of reasons, including:

- Supplemental appropriations approved by the Commission;
- Changes in Memorandums of Agreement;
- Acceptance of grant programs;
- Revisions to currently funded programs, projects and activities; or
- Intra-departmental revisions between and within program areas.

The Commission has the sole responsibility for adopting the budget and may amend or supplement the budget at any time by majority vote of the Commission. After budget adoption, all budget amendments that increase total appropriations require Commission approval.

Budget amendments that shift revenues and expenditures between funds and programs without increasing total appropriations (aka “budget transfers”), can be approved by F5AC management as follows:

- Chief Executive Officer has the authority to make or approve budget transfers to any line item. However, any increase in budgeted appropriations must be approved by the Commission, if the appropriation exceeds the CEO’s approval limits.
- Chief Financial Officer has the authority to make or approve budget transfers to all line items between programs, and to adjust offsetting revenue and expenditure accounts.
- Department Heads have the authority to make budget transfers within their program budgets as long as those changes do not increase total appropriations.
- However, all changes to personnel costs and transfers greater than \$150,000 must be approved by Chief Executive Officer.

To ensure that all changes to the budget are correctly recorded and appropriately authorized, a standard Budget Amendment Request form is used to document all budget amendments, including those approved by the Commission. See Attachment 1 for a sample Budget Amendment Request form.

**Budget Carryover**

Unused budget appropriations lapse at the end of the fiscal year. However, unexpended funds from externally funded sources may be carried-over and reappropriated to meet encumbrance obligations (unexpended balances remaining on contracts or purchase orders). Appropriation from available carryover balances will be incorporated into the budget at the mid-year review to meet the program budgetary plans.

**V. Revenue Accounting**  
**8/202421/2025**

Adopted 2/Revised

**Purpose**

The purpose of this policy is to establish and maintain adequate control over First 5 Alameda's (F5AC) revenues for accounting and reporting purposes. The accounting process will provide for timely and accurate recording and processing of revenue transactions as well as any specific reporting required.

**Proposition 10 Revenue**

**A.**

Revenue received for the operation of F5AC is initiated and submitted from First 5 California on a monthly basis, based on Proposition 10 funds collected by the State of California. The revenue allocated and transferred to F5AC is based on the percentage of Alameda County live births to California State live births. The funds are remitted by First 5 California directly to the Alameda County Treasury where they are placed in the Children and Families Trust Fund for F5AC.

First 5 California submits a Disbursement to Counties by Month Report which reflects funds collected for the month and distributed to counties based on their percentage of live births to the total State live births. The revenue remitted by the State is reviewed and documented by Finance staff each month to determine the reasonableness of the revenue.

**B. City of Oakland Measure AA Parcel Tax Revenue**

Revenue received from the City of Oakland's Children's Initiative (OCI) is restricted and tracked as a Special Revenue Fund. The parcel tax revenue is collected by the City of Oakland and disbursed to F5AC via a contract agreement. This funding will be used and tracked as "Other Revenue" described below.

**Alameda County Measure C Sales Tax Revenue**

Measure C revenue is derived from a countywide voter-approved half-cent sales tax that supports pediatric health care and early education services. F5AC is the designated Administering Agency for the Child Care, Preschool, and Early Education Account.

Measure C revenues are restricted funds and are deposited by the County into a designated fund with separate tracking and accounting. Within F5AC's scope, Measure C revenues are tracked according to their use—such as direct program investments, administration and evaluation, and multi-year commitments—as part of internal planning and reporting. Measure C will be reported as a Special Revenue Fund in F5AC's financial system and reporting.

Use of Measure C funds must comply with the 5-Year and Annual Expenditure Plans, as required by the ordinance and approved by the First 5 Alameda County Commission and the Alameda County Board of Supervisors.

**C. Other Revenue**

F5AC may receive other revenue not otherwise related to its Proposition 10 funding allocation from such sources as First 5 California, other local county or state departments, the federal government, and private foundations. These funds may be restricted in how they are used and require special accounting information to track and report periodically. The use of these revenues must have a formal grant or funding agreement including a budget or plan establishing restrictions and parameters of the funding agreement in place, which shall include a budget or plan establishing restrictions and parameters on the use of the funds. State and Federal funds, as well as private grants, may be utilized as long as F5AC determines that the total costs and requirements of accepting the funds are judged to not adversely impact general operations. If new revenue is received after the budget is adopted, the Commission shall delegate authority to the CEO to begin spending new program revenue consistent with Purchasing and Contracting policies and the increased appropriation will be presented in the mid-year budget modification. Authority to sign and execute revenue agreements shall be delegated by the Commission to the CEO.

Revenue will be maximized to the extent possible by using Proposition 10 funds to match in accordance with F5AC's Fiscal Leveraging Policy.

If more than one funding source is available for financing a project, the most restrictive sources will be used first.

**VI. Debt Management****Adopted 2/8/2024****Purpose**

The policy establishes guidelines for the issuance and management of debt by F5AC, and to establish the maximum amount of permissible debt.

**Financial Planning and Analysis**

F5AC will adopt and maintain financial plans for both the issuance and repayment of debt. To determine whether new debt should be issued and to structure the appropriate repayment terms for each debt issue, F5AC will:

- Identify and conservatively project the revenue sources that will be utilized to repay any debt;
- Analyze the financial impact of both the additional debt service and any additional operating expenses resulting from the improvement to assure that F5AC will have adequate resources to repay the additional debt service required by the new debt; and
- Consider the need for a new asset and its priority vs. other capital needs.

**Purpose of Debt**

F5AC will manage finances to avoid the use of short-term debt when possible. Short-term debt should be limited to borrowing to cover short-term, temporary cash flow shortages within F5AC's fiscal year through the use of bank loans or tax anticipation notes in anticipation of receipt of taxes, grants or other revenues. As a general rule, debt financing is not considered appropriate for any recurring purpose such as operating and maintenance expenditures.

Long-term debt should be issued for the acquisition, construction, or improvement of capital assets (e.g., land, buildings, infrastructure, and public improvements) that cannot be financed from current revenues or other resources. Current year budget appropriations and accumulated reserve funds should be used to minimize the amount of long-term borrowing that is required. Capital leases may be used to purchase equipment, vehicles, furniture and fixtures.

**Repayment of Debt**

The maturity of long-term debt shall be kept as short as possible to minimize the financial impact during the life of the debt. At the same time, it should not be so short that the repayment will create an unreasonable burden. In no event shall the life of the debt or lease exceed the life of the asset(s) being financed. F5AC will maintain a debt coverage ratio of the greater of 1.15 or as specified in bond covenants.

**Debt Amount**

Annual total debt service (principal and interest) as a percentage of total budgeted expenditures will not exceed 10%. Any decision to exceed the target limit must be evaluated and approved by Commission action that includes findings articulating the reasons for exceeding the target, expectations for the length of time the total indebtedness will exceed the target, and plan for bringing total indebtedness back into policy.

**Adherence to Laws and Regulations**

F5AC commits to issuing and managing debt in strict compliance with all applicable federal, state, and local laws and regulations. F5AC will continuously monitor legislative and regulatory

developments to ensure ongoing compliance, with periodic policy reviews and updates to reflect any changes in the legal and regulatory landscape.

**Internal Controls and Ethical Standards**

F5AC shall establish and maintain robust internal controls to ensure legal and ethical compliance in all debt-related activities. This encompasses regular training for staff, comprehensive audit and review processes, and maintaining a high standard of transparency and ethical conduct. Any conflicts of interest will be managed and disclosed according to F5AC's conflict of interest policy. In situations where this policy conflicts with contractual obligations, regulatory or legal requirements, the latter shall take precedence, with immediate consultation from legal advisors to resolve any such conflicts.

## VII. Investments

Adopted

4/18/2024 Revised 8/21/2025

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

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

### A. 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 Children's Sustainability Fund; and Measure C Reserve Fund. The Children's Sustainability Fund now represents the agency's general fund and includes the unspent fund balance from Proposition 10 and other unrestricted sources. The Long Range Financial Plan guides F5AC's use of the Children's Sustainability Fund with the goal of sustaining program spending at a high level as the tobacco tax declines. It is anticipated that the Children's Sustainability Fund will be used by F5AC for program services over the course of the next 8-10 years.

The Children's 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 Children's Sustainability Fund were budgeted over a number of years (2001 - 2004). Finally, budgeted funds that remained unspent were directed to the Children's Sustainability Fund rather than rolling to the subsequent year's budget (2001-present).

The Measure C Reserve Fund was established in 2025 to manage cash flow and support multi-year commitments through the end of the initiative's term in fiscal year 2040–2041. As restricted funds, Measure C balances are tracked separately and invested in accordance with this Policy and applicable legal requirements. 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.

## B. 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.

#### C. 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 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 development.

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.

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 Chief Financial Officer. The 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 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 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.

#### **D. SELECTION OF FINANCIAL INSTITUTIONS, DEPOSITORIES AND BROKER/DEALERS**

1. **SELECTION OF FINANCIAL INSTITUTIONS AND DEPOSITORIES.** The 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 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 Chief Financial Officer and the Executive Committee.

3. **MINORITY AND COMMUNITY FINANCIAL INSTITUTIONS.** From time to time, the 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.

## E. SAFEKEEPING AND CUSTODY

The 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."

## F. ELIGIBLE INVESTMENTS

### 1.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%.~~

2. Federal Agencies or United States Government-Sponsored Enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There are no limits on the dollar amount or percentage that the Agency may invest in Federal Agency or Government-Sponsored Enterprises (GSEs). No more than 30% of the total portfolio may be invested in any single Agency/GSE issuer. No more than 20% of the total portfolio may be invested in callable agency securities.

~~e.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.

~~d.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.

~~e.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:

~~f.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.

~~g.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.

~~h.~~ 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. Local Government Investment Pools (LGIPs)

- A. 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.
- B. Shares of Beneficial Interest issued by a Joint Powers Authority (JPA): The JPA is organized pursuant to California Government Code Section 6509.7 and invests in the securities and obligations authorized in subdivisions (a) to (r), inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the JPA. The JPA has retained an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years' experience investing in instruments authorized by Section 53601, subdivisions (a) to (q).
- C. Other Local Government Investment Pools (LGIP): Other LGIPs permitted by the agency (such as County Pool as defined by California Government Code Section 27000.3). No more than 20% of the total portfolio may be invested in LGIPs other than LAIF and JPAs.
- ~~i.~~ j.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.
- ~~k.~~ 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.
- ~~l.~~ 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.
- ~~m.~~ 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.
- ~~n.~~ 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.

~~g.~~12. Federally Insured Time Deposits (Non-Negotiable Certificates of Deposit) in state or federally chartered banks, savings and loans, or credit unions, provided that:

- a) The amount per institution is limited to the maximum covered under federal insurance.
- b) No more than 20% of the portfolio will be invested in a combination of federally insured and collateralized time deposits.
- c) The maximum maturity does not exceed five (5) years.

~~h.~~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:

- a) No more than 20% of the portfolio will be invested in a combination of federally insured and collateralized time deposits.
- b) The maximum maturity does not exceed five (5) years.

## **2.B. Prohibited investment vehicles and practices**

~~a.~~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.

~~b.~~

~~c.~~3. Investment in any security that could result in a zero interest accrual if held to maturity is prohibited. Under a provision sunseting 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.

~~d.~~4. Trading securities for the sole purpose of speculating on the future direction of interest rates is prohibited.

~~e.~~5. Purchasing or selling securities on margin is prohibited.

~~f.~~6. Using reverse repurchase agreements, securities lending or any other form of borrowing or leverage is prohibited.

~~g.~~7. Purchasing securities issued by company in the tobacco business, including parent companies and their controlled subsidiaries, is prohibited.

~~h.~~8. Purchasing foreign currency denominated securities.

~~i.~~9. The purchase of a security with a forward settlement date exceeding 45 days from the time of the investment is prohibited.

- j. Prohibited investments held in the portfolio at the time of adoption of this Policy may be held until maturity at the discretion of the 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:

- a. 1. Abiding by the diversification requirements included in Section VI (A);
- b. 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;
- c. 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
- d. 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.

#### **E. G. 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.

#### **F. H. 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 that receive any revenues from the manufacturer of tobacco or fossil fuels products are prohibited. Investments are discouraged in entities that receive a significant portion of their revenues from the manufacturer of firearms, or weapons ~~not used.~~ Furthermore, investments are discouraged in our national defense. Investments/entities that receive any derive more than 10% of total revenues from the manufacturer of tobacco products is prohibited. following industries:

1. Energy – Oil & Gas, Coal Operations
2. Firearms
3. Tobacco
4. Casinos & Gaming
5. Security & Correctional Facilities
6. Alcoholic Beverages: Distillers & Vintners
7. Industrials – Defense

#### **G. I. REPORTING**

Semi-annually, the 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.

### **H. J. 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.

FIDUCIARY. A person or organization that acts on behalf of another person(s) or organization that puts their clients' interest ahead of their own as they are bound both legally and ethically to act in the best interests of their clients.

JOINT POWERS AUTHORITY (JPA). An entity created by two or more public agencies that share a common goal in order to jointly exercise powers common to all members through a joint powers agreement or contract.

**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. [An investment's term or remaining maturity is measured from the settlement date to final maturity.](#)

**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.

**VIII. Cash Collections and Disbursements****Adopted 2/8/2024**

Cash collections and disbursements shall be adequately controlled to ensure timely processing and accurate recording in F5AC's accounting records. Accounting procedures for these areas are reflected in detail in the First 5 Procedures Manual.

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

## IX. Purchasing and Contracting

Revised 12/05/2024

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

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

### A. Guiding Principles and Policy Overview

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

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

Policy Overview:

F5AC shall procure goods and services using an accessible, fair, and uniform process, allowing for free and open competition aligned with the Commission's values of diversity, equity, and inclusion. The purchasing process shall provide for the efficient purchasing of supplies, equipment and services. It shall prevent unnecessary purchases of materials and supplies and ensure compliance with budgetary requirements and with applicable State Contracting codes.

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

## **B. Authorization and Execution Thresholds**

1. F5AC must execute a contract for the purchase of goods or services above \$25,000.
2. Contracts and amendments up to \$199,999 in the aggregate may be approved by the Chief Executive Officer and signed by the Chief Executive Officer (CEO), Deputy CEO or designee.
3. Contracts and amendments from \$100,000 - \$199,999 in the aggregate may be approved by the Chief Executive Officer and signed by the Chief Executive Officer, Deputy CEO or designee, and will be shared with the F5AC Executive Committee as an Informational Item.
4. Contracts and amendments from \$200,000 - \$299,999 in the aggregate may be approved by the Executive Committee with authority to sign and execute delegated to the Chief Executive Officer, Deputy CEO or designee and will be shared with the F5AC Commission as an Informational Item at the Commission meeting immediately following the execution of the contract.
5. Contracts and amendments of \$300,000 and above in the aggregate require Commission approval with authority to sign and execute delegated to the Chief Executive Officer, Deputy CEO or designee.
6. Ancillary payments to vendors (e.g., training costs, honorariums, advertisements) shall not exceed 10% of the contract amount or \$25,000, whichever is lower, and must be authorized by the Chief Executive Officer, Deputy CEO or designee and will not be attributed to the \$300,000 limit for Commission approval if budget funds are available.

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

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

1. No bid/quotes: For goods and services up to \$24,999, F5AC may select the provider directly without the need for bids/quotes, keeping within F5AC budget availability. This process shall not be used when it is reasonably foreseeable that the recurring purchases would exceed the no-bid/quote threshold in the aggregate. F5AC must document why the price for these goods or services is fair and reasonable to the agency. For federally-funded purchases, the bid or quote threshold for micro-purchases is currently at the same level of \$24,999.
2. For goods and services from \$25,000 - \$99,999, the user must obtain three written bids/quotes from vendors or from the vendors' published price lists. The award may be made to the vendor submitting the lowest bid or best value that is responsive to the needs of the Commission. If less than three responses are received, the user must demonstrate that sufficient outreach and diligence were undertaken and document why the requirement for three bids was not met.
3. For goods and services from \$100,000 - \$199,999, the user must conduct an informal solicitation using an Informal Request for Proposal/Qualifications (IRFP/Q) solicitation process. The award will be recommended to the highest ranked proposer based on the

evaluation method set forth in the solicitation, or other method deemed appropriate for a formal bidding process. The solicitation shall be posted publicly on F5AC website and publicized through other appropriate channels that extend F5AC 's reach to prospective applicants. IRFP/Qs shall be posted for a minimum of 10 business days prior to the submission deadline. Any exceptions to the posting period shall be approved by the Chief Executive Officer, Deputy CEO or designee. IRFP/Q solicitations shall be written to include the scope of work, specifications, and terms and conditions of the proposed purchase or contract. The solicitation shall provide sufficient details to assist prospective applicants in calculating an accurate, unconditioned, and stable bid.

4. For goods and services in excess of \$200,000, the user must conduct a formal Request for Proposal/Qualifications (RFP/Q) solicitation process. The award will be recommended to the highest ranked proposer based on the evaluation method set forth in the solicitation, or other method deemed appropriate for a formal bidding process. The solicitation shall be posted publicly on F5AC's website and publicized through other appropriate channels that extend F5AC 's reach to prospective applicants. Formal RFP/Qs shall be posted for a minimum of 15 business days prior to the submission deadline. Any exceptions to the posting period shall be approved by the Chief Executive Officer, Deputy CEO or designee. Formal RFP/Q solicitations shall be written to include the scope of work, specifications, and terms and conditions of the proposed purchase or contract. The solicitation shall provide sufficient details to assist prospective applicants in calculating an accurate, unconditioned, and stable bid.
5. As needed an IRFP/Q or RFP/Q may be structured to award a pool of vendors. Pool vendors will be selected by the evaluation method set forth in the solicitation. Admittance into the pool does not guarantee a contract. Pools shall be refreshed at least once every two years. When pools are refreshed, F5AC may, at its discretion, allow for existing members to remain in the pool without re-qualifying if there have been no material changes in the qualifications of the pool member.
6. For services frequently used by F5AC, including but not limited to printing and catering, an IRFP/Q or RFP/Q may be structured to create a preferred vendor list, from which F5AC users may select a vendor without an additional procurement process. Admittance on the list does not guarantee a contract. Preferred vendor lists shall be refreshed at least once every two years. When lists are refreshed, F5AC may, at its discretion, allow for existing members to remain on the list without re-qualifying if there have been no material changes in the qualifications of the list member.
7. F5AC may procure services using cooperative agreements or piggybacking on procurements with other public agency partners and may allow public partners to piggyback on F5AC solicitation opportunities. Cooperative agreements and piggybacking are permissible when a public entity or cooperative purchasing program allows other entities to utilize all or a portion of the goods and services as originally advertised, competed, evaluated, and awarded. Additionally, F5AC may include assignability clauses to contracts procured by F5AC to allow other public agencies to piggyback on these opportunities. When applicable, F5AC may also leverage contracts awarded by the State of California without further competitive bidding (Public Contracts Code Section 10298 et seq.).
8. Purchases of goods and services using Federal funds will adhere to requirements within the Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards.

9. All procurements listed must have appropriate documentation and approval by the Chief Executive Officer, Deputy CEO or designee and is required for all purchases.

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

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

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

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

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

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

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

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

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

- It has been determined that there is only one viable provider of the required services in the community due to the unique quality, durability, availability, exclusivity or fitness for a particular use sought by F5AC.
- After solicitation of a number of several sources, competition is deemed inadequate.
- All providers of a particular service(s) will receive funding.
- The agency/individual was pre-selected by an external funder for this service.

- Categorical exemptions defined as purchases that do not lend themselves to a competitive procurement process, for example purchases where costs are regulated by a third party (bus tokens, postage), purchases that are governed by a different F5AC policy (conference, travel, event sponsorship), or items or service not possible to compete (subscriptions, memberships).

Whenever sole source procurement is used, the rationale must be justified in writing and approved and signed by the CEO, Deputy CEO or designee before the contract is executed.

Elements of a justification should include:

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

For each IRFP/Q or RFP/Q issued, F5AC will establish and communicate to the prospective vendors the bidding or application procedures and evaluation criteria in order to ensure a fair bid or application process and enable F5AC to determine the most cost-effective proposals. IRFP/Q and RFP/Qs will also be posted on the agency's website until the procurement is closed.

F5AC will utilize standardized bidding and application procedures, requests for proposals, contracting provisions, and processes to ensure consistent and effective procurement of supplies, equipment and services.

## **F. General Purchasing Policies**

1. To the extent possible, vendors located in Alameda County will be considered and F5AC will give preference to items made in the USA.
2. In accordance with the requirements set forth in Government Code section 130140(d)(4)(B) and Public Contract Code section 3410, preference will be given to United States grown produce and United States processed foods, when there is a choice and when it is economically feasible to do so. In accordance with the statute, F5AC can make the determination of what is "economically feasible", considering the total cost, quantity and quality of the food and the budget and policies of F5AC.
3. In accordance with the requirements set forth in Government Code section 130140(d)(4)(B) and Public Contract Code sections 22150 to 22154, F5AC will purchase recycled products instead of non-recycled products whenever recycled products are available at the same or lesser total cost than non-recycled products. In addition, F5AC will require vendors of supplies to comply with the Government Code and Public Contract Code sections referenced above, which require that such businesses certify in writing the minimum, if not exact, percentage of postconsumer materials in the products and supplies offered or sold to F5AC. F5AC may waive this certification requirement if the percentage of postconsumer material can be verified in a written advertisement, such as a product label, catalog, or website.
4. F5AC will pay invoices within 40 days of receipt. When discounts are offered, invoices will be paid within the discount period.

5. Payment of goods and services will follow guidelines as outlined in the First 5 Procedures Manual for:
  - Vendor invoices
  - Employee reimbursements
  - Agency credit card purchases
  - Purchase Orders
  - Contracts
6. F5AC will perform a review on all contracts or awards on an annual basis to ensure current value, effective work performance and/or continuation of program or project as included in the current approved Strategic Plan and will determine if the contract is renewable or if the services or project will be released for competitive bidding.

**G. Pre-Authorized Contracting**

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

**X. Payroll****Adopted 2/8/2024****Purpose and Scope**

The Payroll Policy of First 5 (F5AC) outlines the procedures and responsibilities for ensuring accurate, timely, and compliant payroll processing. This policy applies to all F5AC employees and aligns with government regulations and organizational procedures.

**Policy Details**

1. **Payroll Team Responsibilities:** The designated Human Resources (HR) and Finance staff, forming the Payroll team, are responsible for the timely and accurate processing of payroll.
2. **Timesheet Management:** Employees are required to report hours worked and leave hours used each pay period. Time off requests must be submitted prior to finalizing timesheets. Timesheets are to be completed, submitted electronically, and approved by the assigned supervisor or HR staff.
3. **Employee Data Management:** Human Resources is responsible for setting up new employees in the payroll system and ensuring the completion of onboarding documents. Employees are required to enter personal data changes and benefit enrollments.
4. **Payroll Processing:** Payroll is processed bi-weekly, consistent with the County of Alameda's pay schedule. The process includes verification of timesheets, entry of updates and changes, pre-transmission auditing, and final transmission via Paycom.
5. **Pay Frequency:** Employees are paid bi-weekly, one pay period in arrears.
6. **Payment Processing:** For any reimbursements, a completed Voucher Reimbursement Form with corresponding manager approval must be submitted. The Accounts Payable (A/P) Specialist will process these after required approvals.
7. **Payroll Checks:** Payroll checks are electronic, with paper checks mailed upon request to the employee's home address on payday.
8. **Payroll Adjustments and Reporting:** The Payroll Manager reviews and saves Pay Period Reports for accuracy. Additionally, they prepare Alameda County Employees' Retirement Association (ACERA) files and Journal Entries for the bi-weekly payroll.
9. **Wire Transfers:** Certain payroll-related payments are processed via wire transfers. These are prepared, reviewed, and authorized by designated staff and signers following secure procedures.
10. **Compliance and Review:** This policy, along with associated procedures, will be reviewed regularly to ensure compliance with legal and regulatory requirements and organizational needs.
11. **Training and Communication:** Staff involved in payroll processing will receive regular training, and changes to this policy will be communicated promptly.

**XI. Employee Travel and Reimbursements****Adopted 2/8/2024****Overview**

This policy outlines the reimbursement of travel and related expenses incurred by employees of F5AC in the course of their duties. F5AC may also pre-pay an employee's travel expenses as approved by the Chief Executive Officer or Designee. It ensures fiscal responsibility and fairness in the reimbursement process. Accounting procedures for these areas are reflected in detail in the F5AC Procedures Manual.

**Expense Reimbursements**

Employees are reimbursed for pre-approved business expenses upon submission of an Employee Reimbursement Form with necessary receipts and supervisor approval. All forms and instructions are available on the Finance page of the Intranet.

**Conference and Professional Development Expenses**

Pre-approved conference and workshop fees, along with associated travel expenses, are reimbursable. Employees may pay upfront and seek reimbursement or use a Voucher Form for direct vendor payment.

**Lodging and Meals**

Lodging costs are reimbursed based on the conference rate or within the Federal lodging rate for the conference site per [gsa.gov](http://gsa.gov) and for the approved business travel days. Meal reimbursements are reimbursed by meal and the approved flat rate. These are applicable generally for travel outside the Bay Area, in conjunction with overnight stays and require prior approval by the Chief Executive Officer or Designee.

**Transportation and Mileage**

Transportation choices should be cost-effective, with reimbursements based on actual documented expenses. Mileage for use of personal vehicles is reimbursed at the IRS rate, requiring submission of driver's license and insurance proof. If an airline ticket or other travel expense was reimbursed and not used, it is the employee's responsibility to reimburse F5AC within 10 days of notification of cancellation.

**Incidental Expenses**

Reimbursement for incidental expenses like parking, tolls, and taxis are based on actual costs, with provisions for reasonable estimates where receipts are unavailable.

**Compliance and Approvals**

All reimbursement claims require supervisor approval. Out-of-state travel needs written pre-approval by the Chief Executive Officer or Designee. Employees must adhere to this policy and stay informed of any updates.

**Prohibition of Travel Advances**

F5AC does not provide travel advances under this policy.

**XII. Agency Credit Card****Adopted 2/8/2024****Purpose and Scope**

This policy provides guidelines for the use and management of agency credit cards at F5AC. It aims to ensure responsible use, accurate record-keeping, and compliance with financial controls.

**Policy Details**

1. **Issuance and Use of Credit Cards:** Agency credit cards are primarily issued for transactions exceeding \$1,000, certain recurring expenses or when immediate payment is necessary. The Chief Executive Officer (CEO) must approve the issuance of any new agency credit card. The Office & Facilities Manager is responsible for managing the primary agency credit card.
2. **Requesting Credit Card Payments:** Staff requiring credit card usage for authorized purchases must provide the Office & Facilities Manager with the necessary transaction documentation, including approval and the appropriate budget code.
3. **Departmental Credit Card Management:** Additional cards may be issued by department. Each cardholder is responsible for reconciling monthly expenses, ensuring transactions are verified, properly coded, and approved. These records are then submitted timely to Accounts Payable for payment processing.
4. **Compliance and Oversight:** Cardholders must adhere to F5AC's financial policies and procedures. The Finance team oversees the use and management of all agency credit cards, ensuring policy compliance and accurate record-keeping.
5. **Training and Communication:** Staff issued with a credit card will receive training on this policy. Changes to the policy will be communicated effectively to ensure ongoing compliance and awareness.
6. **Policy Review and Update:** Regular reviews of this policy will ensure its relevance and alignment with F5AC's operational needs and financial controls.

**XIII. Capital Assets****Adopted 10/5/2023****Purpose**

This policy documents First 5 Alameda County's (F5AC) accounting for the acquisition, valuation, disposition and accounting for capital assets. Proper capital asset accounting provides the data necessary to:

- Prepare accurate financial reports.
- Safeguard its investment in capital assets.
- Identify custodial responsibility.
- Assist with risk management/insurance activities.
- Recover costs from Federal and State grants/programs.

**Definition of Capital Assets**

Capital assets are tangible or intangible assets that have a useful life greater than one year. Capital asset categories are Land & Improvements, Buildings & Improvements, Construction in Progress, Software, Furniture & Equipment and Leasehold Improvements. Each of these asset types is described below and examples of costs to include in the value of the capital asset are provided.

Capital assets are to be accounted for at historical cost. Generally, historical cost includes all expenses associated with the acquisition, construction and installation of a capital asset.

If the funding source of an asset is a grant, or the asset is acquired by gift or donation, the source or donor is recorded in the accounting records.

**Policy****General**

F5AC records as capital assets those tangible and intangible capital assets having a useful life of more than one year and a historical cost of \$5,000 or more. Departments are responsible for all assets in their possession.

Each capital asset shall be depreciated in F5AC's accounting records over its estimated useful life. Buildings are depreciated over 27.5 years, furniture over 5 years and equipment over 3 years. F5AC currently has no other types of capital assets. Depreciation is calculated on the straight-line basis.

Capital assets disposed of or sold shall be removed from the accounting records.

**Capitalizable Costs**

The following expenditures will be capitalized:

**Land & Improvements:** Costs to be capitalized as Land include purchase price, appraisal and negotiation fees, lease cancellation costs, title search fees, surveying fees, clearing costs and demolishing or removing structures. Costs to be capitalized as Land Improvements include fill, grading, paving, retaining walls, and irrigation systems.

Building & Improvements: Costs to be capitalized as Buildings include cost of construction, fixtures and equipment attached to the structure (e.g. boilers, HVAC systems, elevators), architect fees, permit and license fees, and cost of construction insurance LESS salvage receipts for construction materials, discounts, allowances and rebates. Costs to be capitalized as Building Improvements include additions or improvements to buildings that increase the value or extend the useful life of a building. Examples include replacing major building components, structural additions to a building, major energy conservation projects, installation of upgraded plumbing or electrical systems, and major renovations of exterior structural deterioration.

Construction in Progress (CIP): All capitalized projects which are incomplete as of June 30 will be capitalized as construction in progress. Completed projects will be moved from CIP and depreciation started as of the date the asset is placed into service. CIP costs related to projects not expected to be completed shall be removed from the accounting records. Costs are initially charged to the accounts of the cost center performing the construction and are then transferred to the capital asset account. These costs include direct labor, materials, equipment usage and overhead. Overhead is limited to those items, such as worker's compensation and employee group insurance premiums, retirement and sick leave, which can be distributed on the basis of direct labor.

Software: Costs to be capitalized as Software include one-time software purchase, license or internally generated in conformance with Governmental Accounting Standards Board (GASB) Statement No. 51 (Accounting and Financial Reporting for Intangible Assets) and software subscriptions arrangements in conformance with GASB 96 Subscription-Based Implementation Arrangements (SBITAs).

Furniture & Equipment: Costs to be capitalized include machines, tools, furniture, vehicles, computers and servers. Equipment does not include major systems integrated into a building or structure such as elevators, boilers, roofs, HVAC, software nor extended warranties. When multiple identical units (e.g. 4 printers at \$2,000 each) are purchased together, they will be capitalized only if each unit is greater than the capitalization threshold. The cost of equipment includes all costs necessary to acquire and place the equipment into service, such as purchase or construction price, installation costs, freight or other carriage charges, initial operational training and sales taxes.

Leases: A lease is a contract that conveys control of the right to use another entity's capital asset. For leases which meet the requirements of GASB Statement No. 87, F5AC records an intangible right to use asset, which is calculated in accordance with GASB 87 and amortized over the shorter of the life of the lease or the useful life of the leased asset.

#### Donated Assets

All donated assets are capitalized as of the date of acceptance by the Commission. They are capitalized at estimated fair market value plus any costs necessary to place the assets into service.

#### Renovation and Betterment

Costs incurred in maintaining and repairing capital assets will not be capitalized. The cost of renovating or improving an existing asset is capitalized if the added cost is at least \$5,000 and the improvement will extend the life of the asset and/or improve its capacity or efficiency.

Asset Disposal

Prior to the disposal of any capital asset, the responsible department is required to identify and track the disposal on the internal inventory spreadsheet and have it approved by the Chief Financial Officer. Upon retirement/disposal of asset, Finance will remove the asset from the accounting records.

Property Tags

All capitalized assets shall be assigned an inventory serial number when acquired. A property tag should be placed in an inconspicuous, but accessible place on the asset (e.g., on the back of a computer component or the inside leg of a chair). In cases such as buildings, where it is impractical to attach a property tag, the tag will be filed with the asset's paperwork by the department responsible for inventory.

Physical Inventory

A physical inventory of all moveable capital assets is to be completed annually to verify existence and location, and to identify disposed assets. Land, buildings and other immoveable assets shall be inventoried every five years. F5AC's accounting records are adjusted to reflect the results of each physical inventory.

Non-capitalized assets

Departments are responsible for all assets in their possession, regardless of whether capitalized. For equipment that falls under the \$5,000 capitalization threshold, each department is responsible for determining which items are susceptible to theft or loss and therefore should be controlled via accounting records, property tags and/or periodic physical inventories.

#### XIV. Administrative Costs

Adopted 2/Revised

8/202421/25

Per Health and Safety Code Sections 130140(d)(5) and 130151(b)(2), each county commission including F5AC is required to adopt in a public hearing a limit on the percentage of the county commission's operating budget that may be spent on administrative functions. The guidelines for adoption must be consistent with the First 5 Financial Management Guide.

##### A. Definition of Administrative Costs

In Alameda County, F5AC defines administrative costs are defined as follows:

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

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

- **Program costs:** Costs incurred that are readily assignable to a program or service provider (other than for evaluation activities) and/or in the execution of direct service provision.
- **Evaluation costs:** Costs related to the evaluation of funded programs based, accountability frameworks, and data collection and evaluation for requirements.

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

##### Fee-for-Service Administrative Cost Recovery

F5AC will use a fee-for-service methodology to recover administrative expenses allocated to the General Fund. Each program or funding source will pay fees that reflect its share of centralized administrative services (e.g., finance, HR, IT, facilities, executive oversight).

- Fees will be established through applicable funding, regulatory, or partnership agreements, consistent with allowable cost principles.
- The fee structure promotes equitable recovery of administrative costs across programs, ensures sustainability of centralized operations, and maintains transparency and consistency in financial planning.

##### B. Allocation of Administrative Costs

F5AC allocates administrative costs as indicated in the Cost Allocation Method.

## Determination and Monitoring of C.—Administrative Costs

The administrative costs will be guided by an annually determined Indirect Cost Rate and reviewed at the time of budget adoption. Administrative costs They will be monitored throughout the year and will be reported in the mid-year and year-end budget reports.

## D.— **Principles of Cost Allocation**

### 1.— **1. Purpose**

F5AC provides ~~certain~~ centralized services to its operating units/ and programs, ~~such as,~~ These include human resources, ~~information technology~~IT, accounting, ~~office space,~~ utilities, senior management, etc. In contrast, operating units/programs typically provide services directly to the public. Since operating units/programs frequently receive grant funding, there needs to be a process whereby central service costs are identified and assigned to benefitted operating units/programs, facilities, and executive leadership. Because most programs receive external funding, a consistent method is required to assign these shared administrative costs.

The central ~~services~~services cost allocation plan ~~provides that process.~~ The purpose ~~offulfills~~ this ~~cost allocation plan is to summarize the methods and procedures that First 5 uses to allocate indirect costs to its various programs, grants~~function, and cost centers. its objectives are:

~~The over-arching objectives when creating the central services cost allocation plan are:~~

- ~~i)•~~ **Fairness** — Equitably distribute the reasonable, allowable, and allocable costs ~~of central services to benefitted operating units/programs.~~
- ~~ii)•~~ **Reliability** — Use accurate, consistent, and auditable data ~~that is reliable and readily available so that cost allocation plans are prepared accurately and consistently from year to year.~~ sources
- ~~iii)•~~ **Simplicity** — ~~Use a method— Apply methods~~ that is simple to administer (i.e., cost beneficial) ~~and are~~ easy to explain to internal and external stakeholders. understand and implement

### 2.— **2. Definitions**

- **Direct Costs** — ~~Costs incurred that are specifically and readily:~~ Clearly identifiable with a particular operating unit/program. ~~The; recorded directly in the accounting system records these costs as they are incurred, and further distribution is not required.~~
- **Indirect Costs** — ~~Costs incurred for a common or joint purpose benefiting more than one operating unit/program or costs:~~ For shared/general purposes; not

specifically and readily identifiable easily attributable without effort disproportionate to the results achieved effort. Most administrative costs are indirect costs fall into this category.

### ~~3.~~ **3. Comprehensive Cost Allocation Framework**

~~The general approach of F5AC in allocating costs to operating units/programs is to charge all allocates direct costs directly to operating units, programs, cost centers, grants, etc., and to prorate costs that benefit more than one operating unit/program as indirect costs using a base appropriate to the cost being prorated.~~

as incurred. Indirect costs are

~~F5AC determines the costs to be allocated for each upcoming year using a cost pool approach, based on budgeted amounts for that year. The central services cost allocation plan is prepared in conjunction with the annual budget preparation each year. The resulting allocation to each cost center is charged to the operating units/programs the annual budget. Cost allocations are applied quarterly throughout the year for all non-payroll expenses. Payroll expenses will be allocated as the expense is incurred. At the end of each year a calculation is performed to determine the actual costs incurred that should have been allocated during the year. A and in real time for payroll. A year-end reconciliation may result in a true-up adjustment, if required, will be included in the following year's cost allocation plan.~~

~~F5AC has created three Cost Pools:~~

- ~~• **Cost Pool 1** — primarily Human Resources costs. This pool allocates indirect costs based on each operating unit/program's full-time equivalent employees (FTEs); allocated by FTE count~~
- ~~• **Cost Pool 2** — primarily contract costs and related contract administration costs. This pool allocates indirect costs based on each operating unit/program's Contracts/Admin: allocated by contract expenditures; and~~
- ~~• **Cost Pool 3** — all other costs. This pool allocates indirect costs based on each operating unit/program's total expenditures.~~

~~F5AC determines which of its costs are indirect (as defined above) and sorts these indirect costs into the cost pools based on the following:~~

- ~~a. **Salaries** — The salaries of most employees are charged directly to operating units/programs based on the amount of actual time attributable to each, in accordance with time sheets.~~
  - ~~i. **Human Resources employees' salaries** are charged as indirect costs in Cost Pool 1.~~
  - ~~ii. **Contract staff salaries** are charged as direct costs.~~
  - ~~iii. **Other central administrative staff salaries** (primarily employees in the cost centers for Policy & Advocacy, Operational Support, and Finance) are charged as indirect costs in Cost Pool 3. If an unusual amount of time is expended~~

towards a specific operating unit/program, or if these employees serve in a dual role, they may charge hours directly to those programs.

- iv. ~~For employees whose efforts benefit more than one operating unit/program, the percentage Costs allocated to each operating unit/program shall be determined based on the results of a time study. See “Documentation” section below.~~ by total expenditures

- b. ~~Employee Benefits — Employee benefits (e.g. FICA, workers’ compensation, retirement, health insurance, etc.) are charged in the same proportionate share as salaries and in the same cost pools. If an employee benefit cost cannot reasonably be broken down by a specific operating unit/program or employee, it can be charged as an indirect cost.~~

~~Contract Costs — F5AC’s contract costs (including sub-contracts, professional services contracts, and grants to other entities) with a third party generally benefit more than one operating unit/program and therefore are allocated as an indirect cost in Cost Pool 2.~~

Indirect costs are categorized into cost pools based on nature and function, including:

- Salaries: Most staff costs are direct; admin staff salaries (e.g. finance, operations) are indirect unless clearly attributable
- Employee Benefits: Allocated in proportion to salaries
- Contracts: Generally indirect unless program-specific
- Other Costs: IT, rent, utilities, insurance, etc., allocated to programs using total cost or benefit-based distribution

~~€=~~

- d. ~~Other Costs — Other costs include expenses for information technology, office space, utilities, senior management, capital asset acquisition/depreciation, repairs & maintenance, communications, printing & copying, insurance, memberships & subscriptions, postage, supplies, taxes & fees, travel, facilities management, legal, strategic planning, and office staff. These other indirect costs are charged as indirect costs in Cost Pool 3 because a determination has been made that either:~~
  - i. ~~The costs benefit operating units/programs proportionately to the size of each operating units/programs budget; or~~
  - ii. ~~The allocating cost via a different method would outweigh the benefit derived.~~

MAA expenses are not included in any cost pool; instead, such expenses are ~~excluded from the cost pools and~~ allocated based on the same basis as MAA revenues revenue distribution.

#### ~~4.~~ 4. Review and Documentation

~~All costs and other data used to allocate the costs included in the cost allocation plan shall be supported by formal accounting and other records that document the propriety of the costs assigned to operating units/programs. Such costs and other data include but are not limited to:~~

- The source and rationale of expenses that are sorted into each Cost Pool.
- The source and calculation of percentages used to allocate costs to all benefiting operating units/programs (e.g., headcounts, contract costs by operating unit/program, total costs by operating unit/program).
- For employees whose efforts benefit more than one operating unit/program, the percentage allocated to each unit shall be reviewed and may be updated based on the results of a time study. Each time study shall be updated every three years at which time such employee shall keep a timesheet showing time spent on each operating unit/program for a period that is sufficient to cover a full operating cycle of the employee's job. The results of each time study shall be documented and maintained until a new time study is conducted.

The central services cost allocation plan shall be reviewed and approved by the Chief Financial Officer each year and shall be F5AC maintains documentation supporting:

- Pool assignment rationale
- Allocation percentage calculations (e.g. FTEs, budget size)
- Time studies for shared-role staff (updated every 3 years)
- Cost allocation plan reviewed by the CFO and submitted to the Chief Executive Officer. It shall be reviewed and approved CEO for inclusion in the annual budget process
- Approval by the Commission as part of the with each annual budget adoption.



**To:** First 5 Alameda County Commission

**From:** Kristin Spanos, Chief Executive Officer  
Cally Martin, Deputy Chief Executive Officer  
Nick Zhou, Chief Financial Officer  
Apryl Rhinehart, Contracts and Budget Supervisor

**Date:** August 21, 2025

**Subject:** Fiscal Year 2025-26 Contract Authorizations

---

#### **REQUESTED ACTION**

To review and approve the following contract authorizations.

#### **BACKGROUND**

Per our Financial Policies, Section IX. Purchasing and Contracting, the Executive Committee must approve contract/award amounts and amendments between \$200,000 and \$299,999 in aggregate and the Commission must approve contract/award amounts of \$300,000 and above in aggregate. The following awards require specific authorization from the Commission.

#### **WestEd - \$185,000**

First 5 Alameda County (First 5) requests approval for a \$100,000 renewal contract with WestEd to provide facilitation and process support for the Measure C Community Advisory Council (CAC) meetings. Services may include preparing meeting materials, facilitating, taking notes, and producing write-ups related to the CAC process. WestEd will also provide additional support as needed for CAC activities and implementation related to the Measure C 5-Year Plan.

First 5 is also requesting approval of a \$85,000 sole source contract with WestEd to provide training, coaching, and materials to Quality Counts (QC) infant/toddler and preschool educators and administrators. The training is based on the Teaching Pyramid framework developed by the Center on the Social and Emotional Foundations for Early Learning (CSEFEL). This evidence-based framework helps early childhood educators promote healthy social-emotional development, encourage positive behavior, and address behaviors that adults find challenging. WestEd adapted the Teaching Pyramid framework and materials specifically for use in California and is the only agency in California that authorizes and reauthorizes CSEFEL trainers and coaches. The contract covers training costs for new QC coaches/trainers and re-certification and ongoing training for currently certified QC coaches and trainers to provide California Teaching Pyramid training and coaching.

First 5 currently has one additional contract with WestEd:

- FY 2024-26 contract for \$125,000 to provide CLASS assessments for early care and education programs participating in the Alameda County Quality Rating Improvement System (QRIS), Quality Counts.

Fiscal Impact: Funding is in the FY 2025-26 Approved Budget.

Action Requested: Approve two FY 2025-26 contracts in the amount of \$185,000 with WestEd for an aggregate amount of \$310,000 for FY 2024-26.

### **Measure C Early Care and Education (ECE) Emergency Grants for Family Child Care Providers and Child Care Centers**

On June 5, 2025, the Commission approved the Measure C Child Care, Preschool and Early Education Program Plan and Budget 2025-2030 (5-Year Plan), including the Fiscal Year 2025-26 Annual Expenditure Plan. The Alameda County Board of Supervisors approved the 5-Year Plan on June 10, 2025, appropriated funding for the Fiscal Year 2025-26 Annual Expenditure Plan, and authorized release of Measure C funds to First 5.

The ECE Emergency Grants for family child care (FCC) providers and child care centers provide funding to help stabilize providers. Grant amounts are based on the size of each eligible site (licensed capacity for number of children) and range between \$40,000 - \$100,000. The Plan includes a cap of \$500,000 for agencies that operate multiple sites.

Below is a list of child care centers with anticipated grant amounts of \$200,000 or higher that have submitted applications for an ECE Emergency Grant as of August 14, 2025, that have not already been approved by the Commission:

- BBUS California Inc. (DBA Learn and Play Montessori School) - \$350,000
- Community Association for Preschool Education (CAPE, Inc.) - \$475,000
- Duck's Nest Preschool LLC - \$225,000
- Kidango, Inc. - \$500,000
- Oakland Unified School District - \$500,000

Fiscal Impact: Funding for these contracts is included in the FY 2025-26 Approved Budget.

Action Requested: Approve the Fiscal Year 2025-26 ECE Emergency Grant awards for five child care centers in the amounts noted above, totaling \$2,050,000.


### **RECOMMENDATION**

To approve the above contract authorizations.


Submitted by:


Signed by:  
  
 9CAD6F2B98B34BC...  
 Nick Zhou  
 Chief Financial Officer

Reviewed by:

DocuSigned by:  
  
 F38237316EC4482...  
 Cally Martin  
 Deputy Chief Executive Officer

Approved by:

Signed by:  
  
 3EF704DDDCD14FD...  
 Apryl Rhinehart  
 Contracts and Budget Supervisor

DocuSigned by:  
  
 ED630B4561644E4...  
 Kristin Spanos  
 Chief Executive Officer

# Where Do We Go From Here?

Abigail Stewart-Kahn, Managing Director  
**Stanford Center on Early Childhood**

# Purpose

- Thank you
- Introduce SCEC
- Share key findings in early childhood
- Highlight partnership opportunities to strengthen systems for young children

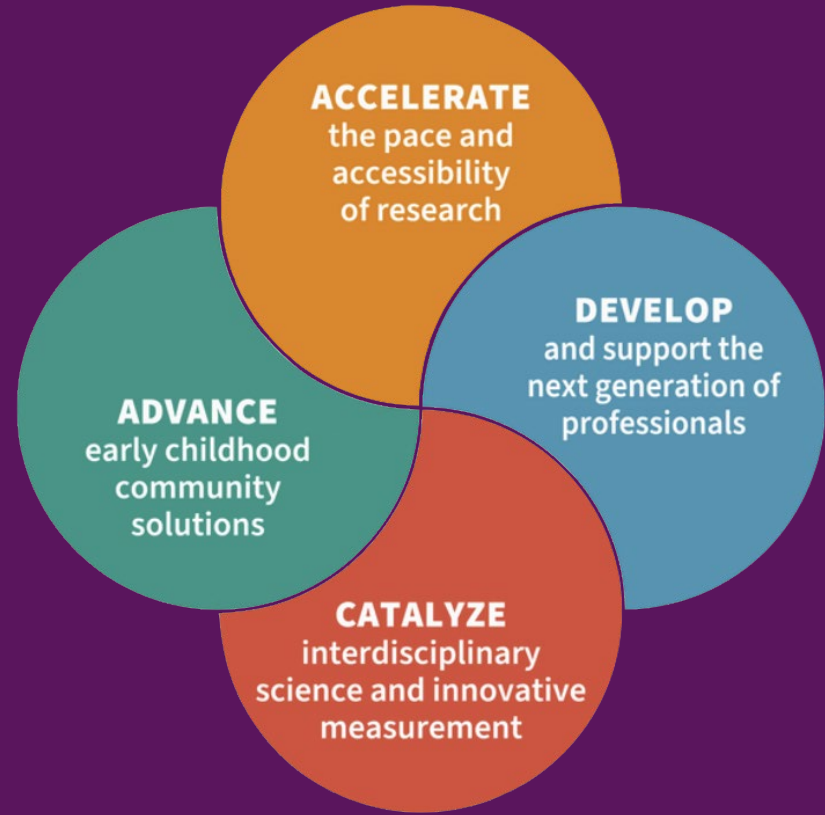
# SCEC Overview



# Our Vision

A child's earliest years, from the prenatal period to early primary school, are critical for building a foundation for a healthy, happy life. **Our vision is to see every child thrive from the start, and that begins with the contexts in which the child is living - the families, educators, and communities that surround them.**

The Stanford Center on Early Childhood is uniquely positioned to support, accelerate, and implement strategies that address structural disparities and foster alliances across communities, academic institutions, funders, advocates, and policymakers. We aim to promote child development and assure equity as well as increase the omni-directional flow of information in the early childhood sector.



Stanford

Center on Early Childhood

# Key Initiatives

## RAPID

Actionable survey data on early childhood and family well-being to inform immediate and long-term program and policy decisions.

23,000 parents and caregivers and 15,000 childcare providers surveyed nationwide.

11,000 CA parents surveyed.

## CIRCLE

Evaluation consultation and technical assistance to help EC-focused initiatives understand their implementation and impact. Partners include community-based organizations, governmental agencies, and philanthropic funders.

## FIND

Professional development and coaching program for parents, caregivers, and educators of children birth to age 5 that facilitates responsive, supportive caregiving, and enhanced positive experiences with children.

## Fellowships

Supporting leadership development of EC champions within RAPID communities and graduate students interested in early childhood.

# Findings on Early Childhood





# RAPID Survey Insights

Material Hardship and Emotional Distress

Climate, Extreme Weather, and Utility Costs

Transitional Kindergarten Awareness and Access

Coming Soon: Immigration-Related Trends



# Media & Policy Implications



## KQED

[What to Expect When Enrolling Your Child in Transitional Kindergarten](#)

Aug 12, 2025



## California Globe

[Awareness Of California's Transitional Kindergarten Drops Dramatically as First School Year Approaches](#)

Jul 24, 2025



## California Healthline

[Dealing with extreme heat is a full-time job for parents of young kids — and their schools](#)

Jul 8, 2025



## Wired

[Trump's Tariffs Will Widen the Digital Divide](#)

Apr 29, 2025

# Media & Policy Implications



## EdSurge

[Study: Kids Suffer as Nearly Half of U.S. Families Struggle to Meet Basic Needs](#)

Jul 15, 2025



## EdSurge

[Majority of Parents Rely on Friends and Family for Child Care, Report Finds](#)

May 2, 2025



## EdSurge

[Can the Most Populous State Pull Off Universal Pre-K?](#)

Jun 23, 2025

# Case Study: The Connecticut Project

Our partners at The Connecticut Project leveraged RAPID survey data focused on child care accessibility and affordability when advocating for **CT Senate Bill 1, An Act Increasing Resources For Students, Schools And Special Education** in the legislative session.

**Stanford**  
Center on Early Childhood

## Transformative CT early childhood education bill gets full passage



by Laura Tillman

June 2, 2025 @ 4:00 pm



[Republish This Story →](#)



Inside on of the play areas of Sandra K Dill Child Care facility. CREDIT: TABIUS MCCOY / CT MIRROR

The Connecticut House of Representatives passed a [priority bill](#) on Saturday that promises to transform early childhood care

# Partnerships & Initiatives





# First 5 Contra Costa Listening Tour



## Background

- 8 total semi-structured focus groups
- 6 semi-structured interviews
- Conducted in English and Spanish
- 56.6% had previously engaged with F5CC

## Findings

- Service Gaps
- Outreach Barriers
- Navigational Challenges
- Opportunities
- Community-Centric Solutions





# FIND Learning Pathways



Strengths-based professional development

“Serve and return” framework

Reinforces what educators are already doing well

Courses, quizzes, reflections, asynchronous video and written resources

**Foundational aspects of FIND currently available for free**

Coming soon: asynchronous coaching enabled by human-in-the-loop AI





# Fellowships & Master's Student Engagement

## Zaentz Fellows Program

- Master's fellowship at the Graduate School of Education
- Opportunity for students to deepen their knowledge and build connections and community
- Recruitment for AY 2026-27 cohort starts Autumn 2025
- Open to collaborations

## Zaentz Community Fellowship Program

- Supports leadership development in EC champions across the country
- Aims to empower and support fellows in community-led research that leverages interconnected resources and systems surrounding children and their families



# Alameda County Case Study

## Key findings:

- Significant Growth in Investment
- Holistic Systems Building
- Community-Driven Initiatives

## Next steps:

- Enhanced Partnerships
- Continuous Evaluation and Learning
- Expand Policy Advocacy



# Conclusions & Next Steps





## What We Know

Being a parent of a young child in California is hard for most parents, though not equally so. And it may actually be getting harder.

System Building is critical and often overlooked.

Family, community and provider voices is invaluable

*There is reason for optimism.*

# Working Together

Utilize SCEC programs

Collaborate with SCEC and Fellows on projects and case studies

Ask questions, share data

Take the RAPID parent survey; take the RAPID provider survey; possible “oversampling” in Alameda

Teach about the Alameda story as it unfolds



Parents & caregivers



Childcare providers

# Q&A



# Discussion

Ideas to get us started:

- Areas for partnership
- Leveraging SCEC resources
- Addressing gaps for services in early childhood



Thank you

**[earlychildhood.stanford.edu](https://earlychildhood.stanford.edu)**  
[earlychildhood@stanford.edu](mailto:earlychildhood@stanford.edu)

**Stanford**  
Center on Early Childhood

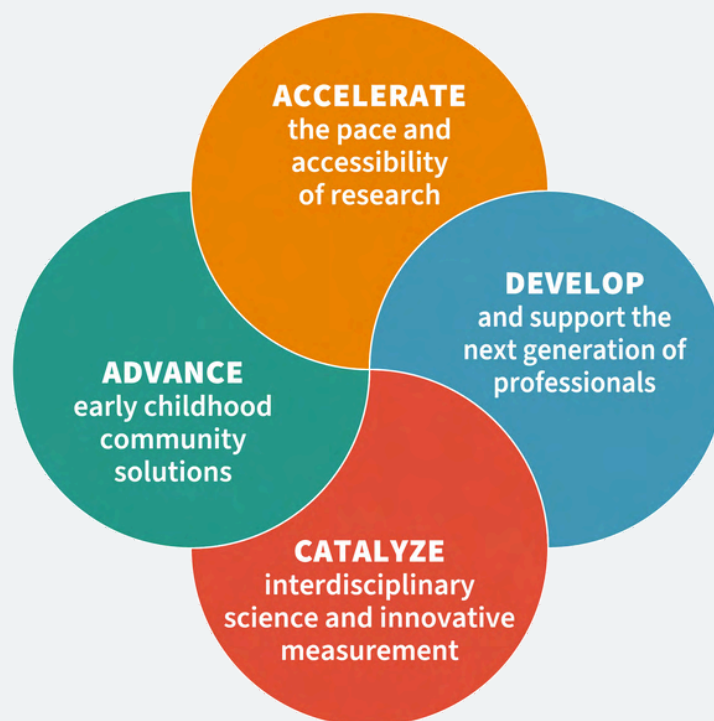


# Stanford | Center on Early Childhood

## Our Vision

A child's earliest years, from the prenatal period to early primary school, are critical for building a foundation for a healthy, happy life. Our vision is to see every child thrive from the start, and that begins with the contexts in which the child is living - the families, educators, and communities that surround them.

Led by Dr. Philip Fisher, the Stanford Center on Early Childhood is uniquely positioned to support, accelerate, and implement strategies that address structural disparities and foster alliances across communities, academic institutions, funders, advocates, and policymakers. We aim to promote child development and assure equity as well as increase the omnidirectional flow of information in the early childhood sector.



## What We Do

### Accelerate the Pace and Accessibility of Research

The Center innovates in ways that accelerate the pace of research and make it more accessible. We develop and disseminate empirically rigorous rapid-cycle research tools that support and elevate the voices of community-based organizations, early care and education providers, and families with young children and caregivers. We embrace the notion that research should be employed for continuous improvement and learning rather than for proof of impact.

### Develop and Support the Next Generation of Early Childhood Professionals

The Center is designing ways to bring training and mentorship with a focus on equity to early childhood educators, researchers, and leaders. From professional development programs for early childhood educators to fellowships for EC professionals, the SCEC seeks to support the next generation of early childhood experts.

### Catalyze Interdisciplinary Science and Innovative Measurement

Researchers at the Center are using and developing ways to make child development assessments less labor-intensive and less burdensome to teachers and parents, while broadening the areas of traditional focus, such as numeracy and literacy, to also include important traits such as persistence and curiosity.

### Advance Early Childhood Community Solutions

Innovations in early childhood development are happening in communities right now. The Center aims to increase the flow of information across all areas of the early childhood ecosystem by identifying transformative strategies and programs and helping share them more broadly between communities, researchers, policymakers and others.



Follow us



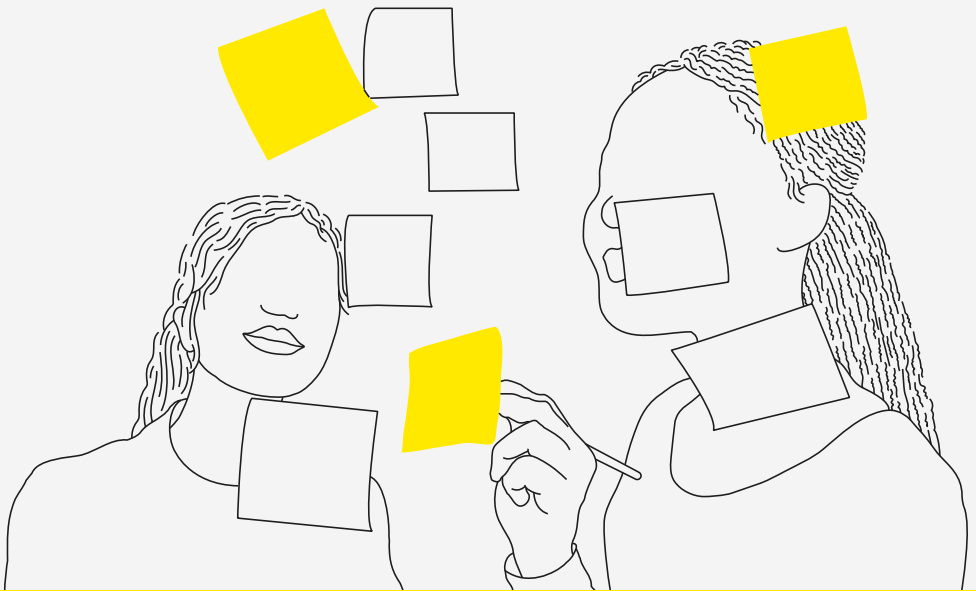
[earlychildhood.stanford.edu](http://earlychildhood.stanford.edu)



[earlychildhood@stanford.edu](mailto:earlychildhood@stanford.edu)

# What parents of young children and child care providers want elected officials to know

RAPID 4th Anniversary Special Report



**Stanford**  
Center on Early Childhood

The RAPID Survey Project, based in the Stanford Center on Early Childhood, conducts research and creates tools to support children, families, caregivers, and practitioners.

Created in response to the COVID-19 pandemic, RAPID provides actionable data on the experiences and well-being of the important adults in young children's lives to inform immediate and long-term program and policy decisions.

Visit the RAPID website  
to find out more



# Introduction

Since its launch in April 2020, over 20,000 parents of children under age 6 and nearly 7,000 child care providers have been sharing their experiences with the RAPID Survey Project, part of the Stanford Center on Early Childhood.

Their voices and perspectives shed light on the challenges, hopes, and sources of support that families across the country are experiencing. These experiences can help decision-makers develop policies and programs that improve family health and well-being.

RAPID enters its fourth year of lifting up parents' and providers' voices during an election year that has important implications for young children and their families.

Since early on in the RAPID Survey Project, we have been asking parents and providers this open-ended question:

What would you like your elected officials or other policymakers to know about how you and your family are doing and what you need during this time?

We have received almost 30,000 answers.

Using Structural Topic Modeling, an innovative approach to analyzing responses to open-ended questions, we identified the topics that parents most frequently raise in their answers to this question. We summarize these topics here and discuss what they mean for elected officials.

# Parents and child care providers want elected officials to know that child care is a top concern.

“There is a serious child care crisis in our country, and it is because we are making it difficult for families to live on one income and families that need child care can’t find affordable child care.” → Parent in South Dakota

“We need affordable and safe child care support and programs for special-needs children.” → Parent in Indiana

“I miss working but I can’t find child care in order to return to work.” → Parent in Texas

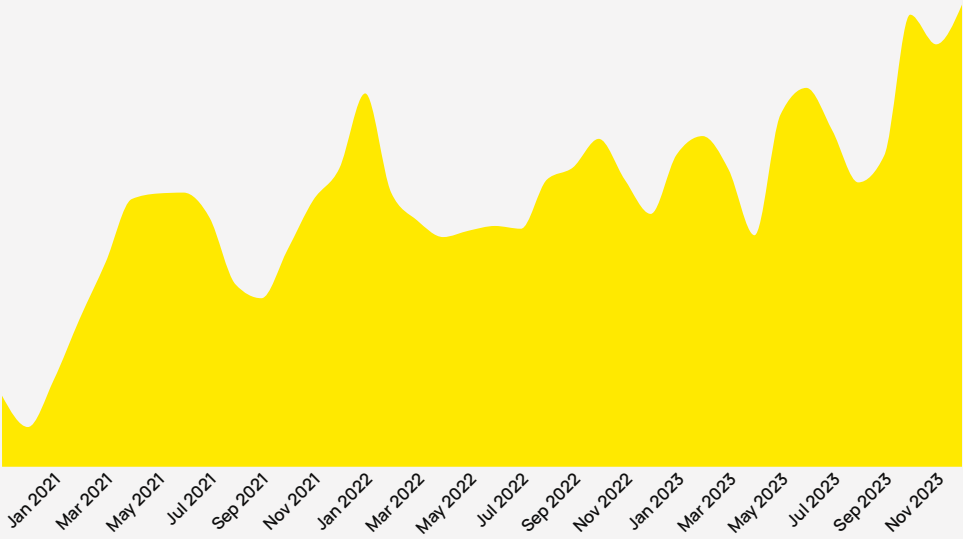
“Child care is too expensive for the typical middle class, working family. I have a doctorate degree and still cannot afford even part-time daycare, in part, due to my graduate school student loans.” → Parent in Massachusetts

Child care is a concern across all demographics, family structures, and income levels. Challenges with child care is the concern that parents and child care providers most want elected officials to know about. Parents say they need elected officials to provide additional support (e.g., subsidies, increased pay, provider assistance) to be able to access and afford child care for their young children.

As shown in Figure 1, the need for more government support with child care is a topic that parents are raising with increasing frequency, a trend that seems likely to continue going forward.

Parents need safe and high-quality child care to support their children’s physical health, emotional well-being, and development of life-long skills. Stable and reliable child care also allows parents to be able to work and contribute to a thriving economy. And the child care workforce needs appropriate wages and support to offer consistent and high-quality care.

Figure 1: Frequency of parents raising child care concerns



# Child care providers also want elected officials to know that parents need more child care support.

“All kids deserve quality care. Qualified employees. We need public funding to pay child care employees more than what they have been earning. People don’t want to get a degree to make low wages.” → Center director in Oregon

“More funding for child care in general. As an in-home provider I do not even bring home minimum wage.” → Home-based provider in Wisconsin

“Government subsidies! Educated, experienced, passionate teachers aren’t able to stay in this field because they literally can’t afford to. I’ve got parents dropping out because they can’t pay tuition and neither can the parents that are also teachers here.” → Center Director in Wyoming

Beginning in 2021, RAPID has also been asking child care providers what they would like elected officials to know, and concerns about parents’ ability to meet child care needs have been a top concern. Providers say they can’t operate without increased government funding and investment, and they recognize that parents cannot afford to pay more for child care.

Parents also want elected officials to know that they need help to meet basic family needs like healthcare and housing.

“Housing costs are nearing impossible standards both for rent and purchasing options. Finding housing that isn’t over the recommended 30% of income is no longer possible in most areas, including rural areas.” → Parent in Colorado

“Need to provide free health insurance to single/widowed mothers of young children.” → Parent in Kansas

“We need financial help and better health insurance choices. Healthcare is far too expensive.” → Parent in North Carolina

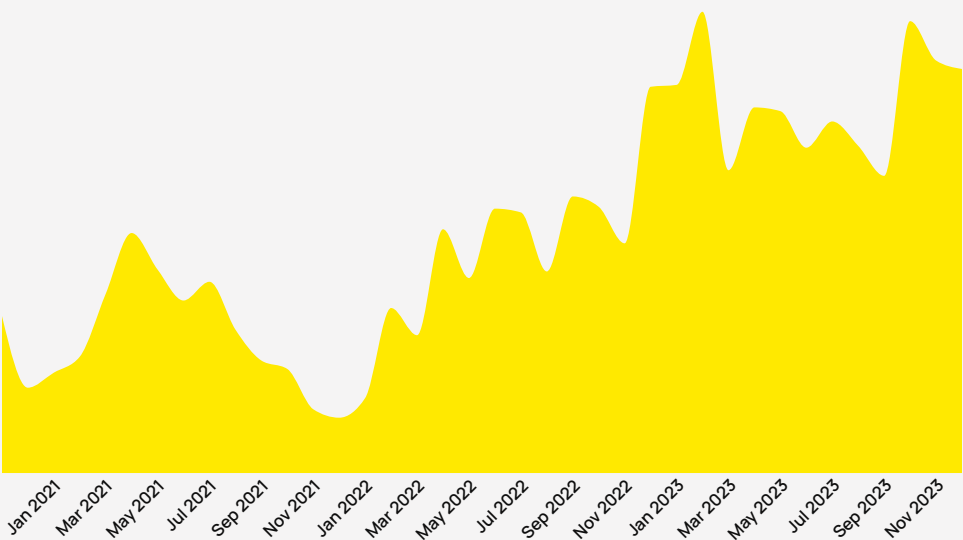
“Our Tricare [healthcare program for active-duty service members] is about to expire. We have no dental insurance, and our daughter desperately needs her cavities fixed.” → Parent in Utah

In addition to child care, our analysis shows that half of the most-frequently mentioned topics parents raised have to do with the need for elected officials to provide more material support to families with young children. Child care providers also frequently raised this concern that parents need support to meet basic family needs.

Specifically, parents are experiencing difficulty meeting healthcare and housing needs. The frequency in which parents have raised this concern has increased over the past four years. The frequency of mentioning this topic increased substantially in 2022, a trend that corresponds with the end of family support policies and rising costs of living expenses.

Parents report a need for affordable and reliable access to healthcare. Over the past four years, there has been an increase in the frequency with which parents report access to healthcare as one of their family’s top concerns (Figure 2).

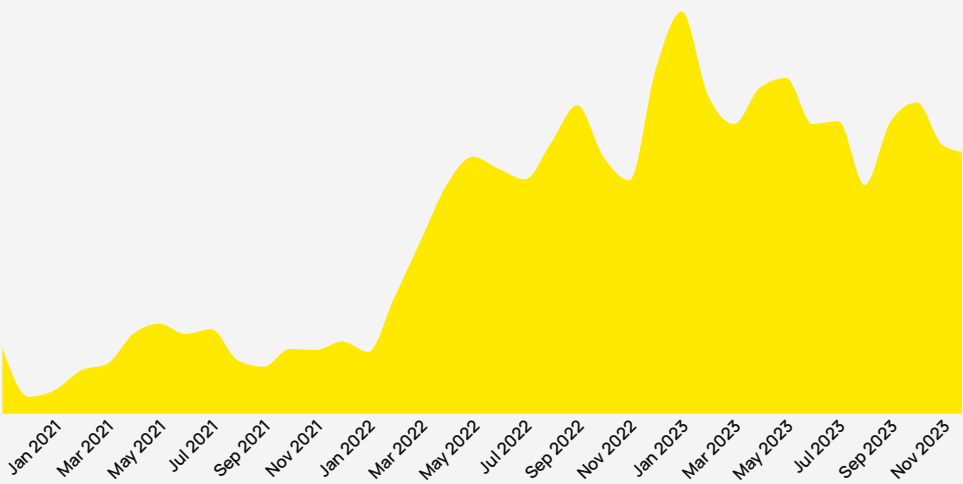
Figure 2: Frequency of parents raising concerns about meeting healthcare needs



Parents also wanted lawmakers to know that they need housing to be more available and affordable. Over the past four years, there has been an increase in the frequency in which parents report affordable housing as one of their family’s top concerns (Figure 3).

Having stable and affordable healthcare and housing contributes to family health and well-being and to positive early childhood development.

Figure 3: Frequency of parents raising concerns about meeting housing needs



# Parents want elected officials to return to and sustain solutions that were in place during the pandemic that were helpful in supporting families.

“We would love the child tax credit to be permanent. While we are financially okay, we are doing better than we would otherwise be doing because of the pause on student loan payments. The child tax credit would allow us to pay our student loans while also being able to afford things for our kids that could help their mental health.” → Parent in Oklahoma

“Bring back monthly stimulus payments. Make renewing SNAP easier.” → Parent in Vermont

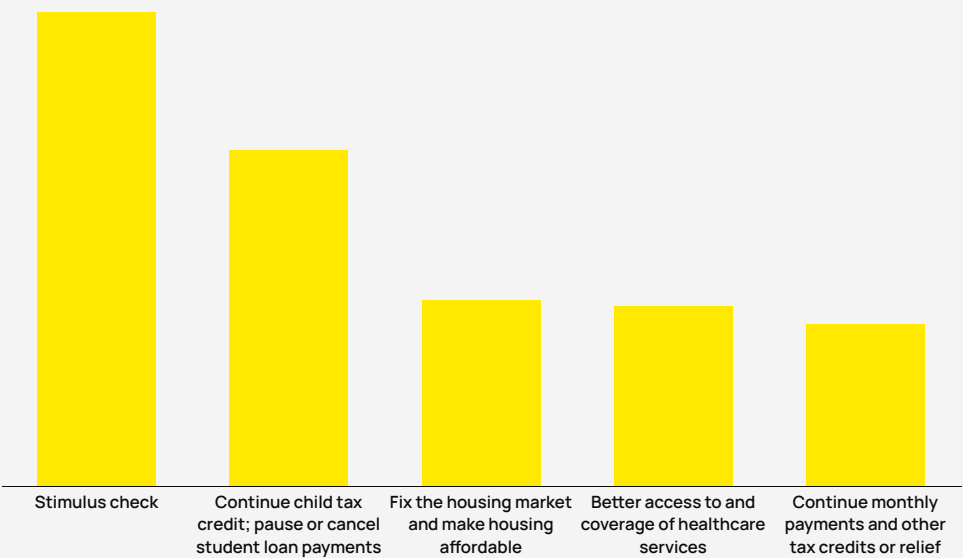
“It would be helpful to continue to reduce/lower rent, put rent control in place and/or have vouchers like food stamps to help the cost of these sky-rocketing rents in California.” → Parent in California

Parents shared that, when elected officials took action to implement relief programs during the pandemic, such as food assistance, stimulus checks, and expansion of the Child Tax Credit, it helped them to meet their family’s expenses and provide basic needs. Parents say elected officials can help families again, particularly around affordable housing and healthcare.

RAPID data show that when federal relief programs were in place, parents of young children reported lower rates of overall hardship, hunger, and housing-related economic hardship. When the policies ended, material hardship rates began to increase.

RAPID data has also consistently shown a chain reaction of hardship. That is, as parents' experiences of hardship increase, they also experience more emotional distress (higher levels of stress, anxiety, depression, and loneliness), which, in turn, increases emotional distress among their young children. As shown in Figure 4, parents are raising family support policy solutions with increasing frequency.

Figure 4: Frequency of parents raising specific family support policy solutions



Parents want elected officials to know that they are frustrated and skeptical that elected officials will do what's needed to sustain family support policies.

"I think politicians need to realize and start to care and take action to improve the average American's quality of life and stop promoting the rich getting richer off the backs of the poor and middle-class struggling families." → Parent in Pennsylvania

"Everyone in charge only cares about themselves and making themselves richer. No one is ever going to help out the rest of us. It is what it is." → Parent in Florida

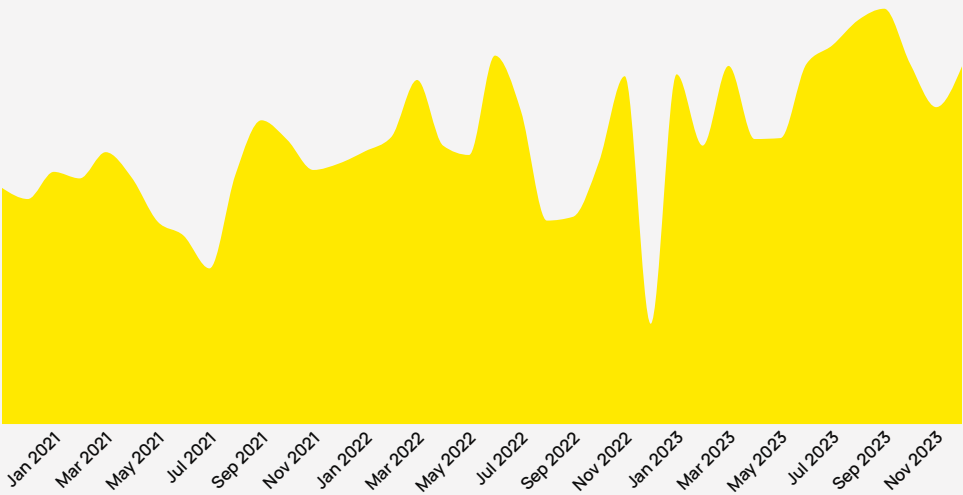
"I don't think elected officials or policymakers care at all about my family. I can't afford meaningful donations and I don't have any influence or sway with people who do. It doesn't matter what we need or how we're doing. I am done believing in "power of the people" or "grassroots" anything." → Parent in California

"Honestly, there's nothing they can do. We put a lot of faith and trust and hope in these people, but they don't have the power to really help anyone but themselves. And if they were to find the power then the next step above them would just shut it down. We can't rely on anyone but ourselves." → Parent in Mississippi

Parents also frequently expressed disbelief that elected officials will implement and sustain policies that offer families and young children the support they need.

Over the past four years, there has been an increase in the frequency with which parents report frustration in elected officials’ lack of willingness to act to meet families’ basic needs (Figure 5).

Figure 5: Frequency of parents expressing disbelief that the government will help



# Conclusion

Parents of young children and child care providers want elected officials and policymakers to know that child care availability and affordability, and the ability to meet material needs are top concerns. These are things that elected officials can take action to address.

Parents across the country, of all races and ethnicities and income levels, say they urgently need support from elected officials. The evidence from parents and child care providers is clear: families are struggling, and sustained policies can directly improve families' health and well-being.

This is a problem that affects each and every member of American society.

The problem requires systemic solutions. Parents' and child care providers want elected officials to know that the time to act is now. Previous data show that policies that address these needs are effective and that, when they are in place, parent well-being and child development improves.

Supports like the expanded and refundable child tax credit, expanded food programs, and child care stabilization funds were vital to the well-being of young children, parents, and providers during the pandemic. Those caring for our country's young children need these supports again.

The RAPID Survey Project will continue its work to amplify the voices of parents and child care providers to inform the decisions of elected officials and promote programs and policies that best support young children and their caregivers and families.

# About RAPID

RAPID surveys are designed to gather essential information continuously regarding the needs, health-promoting behaviors, and well-being of young children and the important adults in their lives. RAPID collects data monthly from parents and child care providers in all 50 states. The samples are large and the surveys are national in scope, however, the data are not technically representative of households with young children in the US.

Additionally, the surveys are available in English and Spanish and can be taken on any device with an internet connection, but our samples are limited to those who have access to these resources and who speak English or Spanish. RAPID employs a unique data collection strategy and, as such, the data are a combination of cross-sectional and longitudinal.

# About the sample

Data presented in this report are based on RAPID national household and provider surveys. Analyses on the household surveys are based on responses collected from 9, 231 caregivers between April 2020 and January 2024. These caregivers represent a range of voices: 8% are Black/African American, 10% are Latinx, and 35% live at or below 200% of the federal poverty level.

Analyses on the provider surveys are based on responses collected from 2,609 child care providers between March 2021 and January 2024. These providers represent a range of voices: 12% are Black/African American, 12% are Latinx, and 29% live at or below 200% of the federal poverty level. Among these providers, 36% are center directors, 27% are center teachers, 27% are home-based providers, and 6% are family/friends/neighbor (FFN) providers.

Proportions/percentages are calculated based on the item-level response rates, not on the total sample. The data for these analyses are not weighted.

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