



Special Executive Committee Meeting

AGENDA

Monday, April 8, 2024 ~ 5:00 PM

4005 Port Chicago Highway, Suite 120, Concord, CA 94520

First 5 Conference Center

The Executive Committee meeting will be accessible in-person, and via virtual webinar to all members of the public.

Persons who wish to address the Committee members during public comment or with respect to an item on the agenda may call in during the meeting by dialing 669-444-9171 or 669-900-6833 or use the “raise your hand” feature in the Zoom app. The Committee

Chair may reduce or eliminate the amount of time allotted to read comments at the beginning of each item or public comment period depending on the number of comments and the business of the day. Your patience is appreciated

Virtual Meeting Information:

<https://us02web.zoom.us/j/88653368187?pwd=eU5wZVFMMEdKVWQ2OXIid1NQUDR3UT09>

Meeting ID: 886 5336 8187

Passcode: 567715

1.0 Convene and call to order

2.0 Closed Session

Public Employee Performance Evaluation (Gov. Code § 54957.6)

Title: Executive Director

3.0 Public Comment

4.0 Approve the Minutes of the Executive Committee Meetings:

Action

4.1 Special Executive Committee Meeting on December 18, 2023

4.2 Executive Committee Meeting on February 12, 2024

5.0 CONSIDER accepting the report on significant program, financial or contracts matters, and on any personnel matters relating to Commission staff.

Discussion

5.1 Receive highlights for the proposed First 5 Contra Costa Budget Fiscal Year 2024-25

5.2 Receive updates from the PSE Director

5.3 Receive updates from the HR Manager

5.4 Receive updates from the Executive Director

6.0 Communications

- Bay Area First 5s Executive Directors Letter - CalAIM Section 1115 Continuous Coverage for Children
- AB 2982 (Reyes) - Bright Beginnings Act – Fact Sheet
- Assemblymember Pellerin Request Letter - First 5 Funding

7.0 Adjourn

The public may comment on any agenda item or any item of public interest within the jurisdiction of the First 5 Contra Costa Children and Families Commission. In accordance with the Brown Act, if a member of the public addresses an item not on the posted agenda, no response, discussion, or action on the item may occur.

The First 5 Contra Costa Children and Families Commission will provide reasonable accommodations for persons with disabilities planning to participate in Commission meetings who contact the Commission's offices, at least 48 hours before the meeting, at (925) 771-7300.

Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the First 5 Contra Costa Children and Families Commission to a majority of members of the First 5 Contra Costa Children and Families Commission less than 96 hours prior to that meeting are available for public inspection at 1485 Civic Court, Suite 1200, Concord, CA 94520 during normal business hours.

In consideration of those who may suffer from chemical sensitivities and may have allergic reactions to heavy scents, First 5 Contra Costa requests that staff and visitors refrain from wearing perfume, cologne, or the use of strongly scented products in the work place. We thank you for your consideration of others.



**Special Executive Committee Meeting
MINUTES**

**Wednesday, December 18, 2023, ~ 5:00-6:00pm
4005 Port Chicago Highway, Suite 120, Concord, CA 94520**

1.0 Convene and call to order.

Chair John Jones called the meeting to order at 5:14 p.m.

In attendance: John Jones, Matt Regan, Marilyn Cachola-Lucey, and Dr. Rocio Hernández

Staff present: Executive Director, Dr. Ruth Fernández (remote), Policy, Strategy & Evaluation Director, Sandra Naughton; Finance and Operations Director, Pankti Clerk (Zoom); Human Resources Manager, Tammy Henry.

2.0 Public Comment.

No public comment.

3.0 Approve the Minutes of the Executive Committee Meeting of November 29, 2023.

Commissioner Regan motioned to approve the minutes of the November 29, 2023 Executive Committee meeting. Commissioner Lucey seconded.

Roll-call Vote:

John Jones – Yes

Rocio Hernandez – Yes

Marilyn Lucey - Yes

Matt Regan – Yes

Motioned approved.

4.0 RECEIVE presentation of the findings from the commissioned organizational Compensation and Classification Study from Koff and Associates.

Executive Committee received an overview presentation from Katie Kaneko, Managing Director, Koff & Associates. Koff & Associates representative provided an overview of the purpose, methodology, study findings, and recommendations to the Executive Committee. Overall, the study showed First 5 Contra Costa base salaries are on average 3% above market median and including total compensation First 5 is 10% over market median. Committee members asked clarifying questions about the timeline and methodology for data collection.

5.0 CONSIDER accepting the report on significant program, financial or contracts matters, and on any personnel matters relating to Commission staff.

5.1 Receive updates from ED related to the Compensation and Classification Study:

Executive Director Dr. Ruth Fernández provided further detail regarding the changes to staff classifications and salary analysis based on the completed study by Koff & Associates. She expanded on the purpose of the study to ensure Commission staff are paid on a fair and competitive basis, based on the market; ensure staff are working within the appropriate classifications; increase equity in pay across classifications; and to increase transparency as a public entity. Ruth also provided examples of how the new proposed salary schedule would impact staff.

5.2-5.4

No further staff updates provided in this item due to time constraints.

6.0 REVIEW agenda items for upcoming Commission Committee Meetings.

No discussion held for this item.

7.0 Communications

8.0 Adjourn – Meeting adjourned at 5:59 p.m.



Executive Committee Meeting

MINUTES

Monday, February 12, 2024, 5:00-6:00pm

4005 Port Chicago Highway, Suite 120, Concord, CA 94520

1.0 Convene and call to order.

Chair John Jones called the meeting to order at 5:04 p.m.

In attendance: John Jones, Marla Stuart, Vidya Iyengar

Absent: Matt Regan

Staff present: Executive Director, Dr. Ruth Fernández; Policy, Strategy & Evaluation Director, Sandra Naughton; Finance and Operations Director, Pankti Clerk; Human Resources Manager, Tammy Henry; Executive Assistant, Mikele Nelson.

2.0 CLOSED SESSION – Public Employee Performance Evaluation (Gov. Code § 54957.6)

Chair John Jones moved the meeting into a Closed Session at 5:05p.m. and resumed the meeting at 5:47p.m.

3.0 Public Comment.

No public comment.

4.0 Approve the Minutes of the Special Executive Committee Meeting of December 18, 2023.

Marla Stuart and Vidya Iyengar abstained. Chair Jones tabled the approval of the meeting minutes to check with County Counsel about the process of approving minutes with new Executive Committee members.

5.0 CONSIDER accepting the report on significant program, financial or contracts matters, and on any personnel matters relating to Commission staff.

5.1 Receive updates from Finance and Operations Director

Pankti Clerk provided a high-level report and shared an update on the general state of First 5 revenue, noting where the fund balance is now and where it will be in the near future. Pankti noted there will be less of a decline in the fund balance than what was originally projected, as well, she shared actuals and projections for year end and upcoming years.

5.2 Receive updates from HR Manager

Tammy Henry provided a report on the amendments to the approved First 5 Contra Costa Employee Compensation and Benefits Resolution No. 2023/01.

5.3 Receive updates from Executive Director

Ruth Fernandez highlighted current events at First 5 and presented a preview of upcoming items for the April Commission meeting. She shared that Finance Director, Pankti Clerk will be leaving First 5 Contra Costa.

6.0 Communications - None

7.0 Adjourn – Meeting adjourned at 6:01 p.m.



		FY2023-24 Approved Budget				FY2024-25 Proposed Budget			
REVENUE ¹		F5 Contra Costa Funds	Other Funds	Total Revenue	% of Budget	F5 Contra Costa Funds	Other Funds	Total Revenue	% of Budget
1	State Sales Tax	6,802,699		6,802,699		6,609,880		6,609,880	
2	Federal Grants		150,000	150,000			100,000	100,000	
3	State Grants		1,031,221	1,031,221			1,137,250	1,137,250	
4	Subrecipient Awards		1,010,323	1,010,323			1,229,906	1,229,906	
5	Philanthropic Grants		405,000	405,000			100,000	100,000	
6	Other Revenue		250,000	250,000		200,000	-	200,000	
7	TOTAL REVENUE	6,802,699	2,846,544	9,649,243		6,809,880	2,567,156	9,377,036	
8	<i>Prop 10/56 Fund Balance Drawdown</i>		-	4,870,175			-	3,023,281	
9	TOTAL REVENUE	6,802,699	2,846,544	14,519,418		6,809,880	2,567,156	12,400,317	
PROGRAMMATIC FOCUS AREAS EXPENSES		F5 Contra Costa Funds	Other Funds	Total Expense	% of Budget	F5 Contra Costa Funds	Other Funds	Total Expense	% of Budget
12	Early Childhood Education								
13	Workforce Development	390,960	8,800	399,760		45,000	100,000	145,000	
14	Quality Early Learning		487,032	487,032		9,000	536,059	545,059	
15	Ready Kids East County School Readiness Initiative		189,264	189,264		160,743	-	160,743	
16	Total	390,960	685,096	1,076,056	7%	214,743	636,059	850,802	7%
17	Strengthening Families [formerly Family Support]								
18	First 5 Centers	3,567,529		3,567,529		3,337,364		3,337,364	
19	Home Visiting System Coordination		214,924	214,924			64,865	64,865	
20	Total	3,567,529	214,924	3,782,453	26%	3,337,364	64,865	3,402,229	27%
21	Early Intervention								
22	Early Childhood Mental Health Services	230,588		230,588		15,000	192,000	207,000	
23	Triple P Positive Parenting	92,023	102,632	194,655		92,023	92,023	184,046	
24	Inclusive Early Care & Education Environments [formerly Support for Children w/ Disabilities]	200,000	405,000	605,000		166,000	604,689	770,689	
25	Coordinated Systems of Care							-	
26	Help Me Grow Services & Developmental Playgroups	408,947		408,947		424,947		424,947	
27	Trauma-Informed Systems [formerly Contra Costa Network of Care Hub]	20,000		20,000		11,700		11,700	
28	Total	951,558	507,632	1,459,190	10%	709,670	888,712	1,598,382	13%
29	Policy Advocacy & Communications Strategies								
30	Community Engagement	119,137	75,000	194,137				0	
31	Communications Strategy & Policy Advocacy	343,348	33,960	377,308		290,200	15,332	305,532	
32	Total	462,485	108,960	571,445	4%	290,200	15,332	305,532	2%
33	Program Salaries/Benefits and Overhead Expenses								
34	Program Salaries & Wages	2,707,908		2,707,908		1,470,128	536,227	2,006,355	
35	Program Employee Benefits	1,601,528		1,601,528		864,341	332,176	1,196,517	
36	Program Expenses and Overhead	417,533		417,533		410,623		410,623	
37	Total	4,726,969		4,726,969		2,745,092	868,403	3,613,495	
38	TOTAL PROGRAM INITIATIVES EXPENSES	10,099,501	1,516,612	11,616,113	80.0%	7,297,069	2,473,371	9,770,440	78.8%
39									
EVALUATION EXPENSES		F5 Contra Costa Funds	Other Funds	Total Expense	% of Budget	F5 Contra Costa Funds	Other Funds	Total Expense	% of Budget
40	Evaluation Salaries & Wages	254,055		254,055		316,535	16,840	333,375	
41	Evaluation Employee Benefits	141,699		141,699		167,467	8,134	175,601	
42	Professional Services	363,400	25,000	388,400		208,250	2,500	210,750	
43	Purchased Services and Supplies	42,500	2,000	44,500		20,500	-	20,500	
44	Evaluation Expenses and Overhead	46,423		46,423		71,920	-	71,920	
45	TOTAL EVALUATION	848,077	27,000	875,077	6.0%	784,672	27,474	812,146	6.5%
46									
ADMINISTRATIVE EXPENSES		F5 Contra Costa Funds	Other Funds	Total Expense	% of Budget	F5 Contra Costa Funds	Other Funds	Total Expense	% of Budget
47	Administrative Salaries & Wages	777,420		777,420		749,315		749,315	
48	Administrative Employee Benefits	422,046		422,046		413,661		413,661	
49	Professional Services	462,500		462,500		237,000		237,000	
50	Purchased Services and Supplies	159,600		159,600		180,800		180,800	
51	Operating Overhead (Risk Mgmt., DoIT/EHSD, etc.)	206,662		206,662		236,955		236,955	
52	TOTAL ADMINISTRATIVE EXPENSES	2,028,228	-	2,028,228	14.0%	1,817,731	0	1,817,731	14.7%
53									
54	GRAND TOTAL	12,975,806	1,543,612	14,519,418		9,899,472	2,500,845	12,400,317	

Notes:

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*FY23-24 Adopted Budget included for context, prior year revenue/expenditure.

¹ Revenue sources are detailed in 'FY24-25 Revenue Projection Summary'.

² State Sales Tax revenue includes Prop 10, Prop 56, CECET, and SMIF Interest accrued while in State interest earning accounts prior to distribution to counties. Allocation assumes 10% decline over FY22/23 Year-End actuals.

³ Interest earnings are percent of County's pooled investments (fluctuations based on investment returns).

⁴ Name has been changed to align with Strategic Plan 2023-2026 Programmatic Focus Areas.

⁵ Sub-titles to program areas have been modified to reflect programmatic changes and related funding streams.

⁶ Coordinated System of Care includes comprehensive intervention services, developmental playgroups, screenings, and provider supports. It also includes navigation and referral services through HMG and Trauma-Informed supports and activities such as the CCC Network of Care.

⁷ Activities in this category align with new organizational Policy, Strategy & Evaluation structure. It includes advocacy trainings and activities, advocacy mini-grants, FESP, support for Children's Leadership Council (CLC) activities, and Communication Strategies.

Percent of Total Expenses	
FY 2023-24	
Program Initiatives	80.0%
Evaluation	6.0%
Administration	14.0%
Total:	100.0%

Percent of Total Expenses	
FY 2024-25	
Program Initiatives	78.8%
Evaluation	6.5%
Administration	14.7%
Total:	100.0%

FY2024-25 Revenue Projection Summary



REVENUE		FY2024-25 Projected Budget			
		F5 Contra Costa Funds	Other Funds	Total Revenue	Totals
1	State Sales Tax				6,609,880
2	Proposition 10 - Cigarette Sales Tax Apportionment	4,752,140		4,752,140	
3	Proposition 56 - backfill funding for loss of Prop 10 funding	1,732,740		1,732,740	
4	CECET - California Electronic Cigarette Excise Tax	100,000		100,000	
5	SMIF - Surplus Money Investment Fund	25,000		25,000	
6	Federal Grants			-	100,000
7	Early Childhood Workforce Compensation Project		100,000	100,000	
8	State Grants			-	1,137,250
9	First 5 California IMPACT Legacy Grant		689,460	689,460	
10	First 5 IMPACT Legacy HUB		60,048	60,048	
11	First 5 CA Home Visiting Tech. Assistance & Coordination Grant		127,742	127,742	
12	Childen & Youth Behavioral Health Initiative (CYBHI)		260,000	260,000	
13	Subrecipient Awards			-	1,229,906
14	CA State Preschool Quality Block Grant (CSPP)		251,119	251,119	
15	Quality Counts California (QCC)		205,870	205,870	
16	Workforce Pathways (CCCoE)		10,000	10,000	
17	MHSA-Behavioral Health Agreement (Triple P)		92,917	92,917	
18	Measure X-- Children w/Disabilities		670,000	670,000	
19	Other Public Funds			-	
20	Philanthropic Grants			-	100,000
21	Sunlight Giving		100,000	100,000	
22	Other Revenue			-	200,000
23	Interest Income	200,000		200,000	
24	Other Misc. Income			-	
TOTAL PROJECTED FY24-25 REVENUE		6,609,880	2,567,156	9,377,036	9,377,036



Staff Report
April 8, 2024 Commission Meeting

ACTION: X
DISCUSSION:

TITLE: FY2024-25 Proposed Budget, First 5 Contra Costa

Recommendation

Commission approval of the FY2024-25 Proposed Budget, First 5 Contra Costa.

Background

The FY2024-25 Proposed Budget maintains alignment with the long-term fiscal strategies including:

- leveraging Proposition 10, Proposition 56, and CECET cigarette and tobacco tax revenues as match for private sector partnerships and philanthropic grants;
- establishing partnerships with County agencies through subrecipient grants to jointly provide essential services; and
- securing public and philanthropic grants to further enhance First 5 activities focused in support of young children and their families.

Fiscal Impact

The FY 2024-25 Proposed Budget maintains focus on continuity of the Strategic Plan’s Focus Areas with some programmatic changes, and assures intentionality in forecasting anticipated revenues and expenditures, and will require a drawdown from the Fund Balance in the amount of approximately \$3M.

Major Revenue

Proposition 10/Proposition 56/CECET/Surplus Money Investment Fund (SMIF) Revenue

State tax apportionments are the principal revenue source for First 5 and includes Proposition 10 cigarette tax, Proposition 56 tobacco products tax (backfill funding for loss of Prop 10 funding), CECET e-cigarette tax, and SMIF, apportioned interest associated with Prop 56 receipts held in State interest earning account.

- **Proposition 10**
A report prepared by Capitol Matrix Consulting (December 6, 2022), on behalf of the First 5 Association indicated a decline of up to approximately 15% in Proposition 10, 56, and SMIF revenue projections, as a result of Prop 31. FY2024-25 is the year when the impact to revenue is anticipated to level off. Estimates from First 5 CA average an annual decline in tax revenue of approximately 3.6% for FY 2024-25 through FY 2026-27, which includes a decline of approximately 7% in FY2024-25. ***In light of this information, the FY2024-25 Proposed Budget represents a fiscally conservative approach to projecting Prop 10 revenue (\$4,752,140), a projected decrease of 10% over FY2022-23 Year End Actuals.***
- **Proposition 56**
While revenue for Prop 56 backfill had experienced a 12% decline from \$2,046,138 in FY2021-22 to \$1,792,476 in FY2022-23, in FY2023-24 Prop 56 revenue took a surprising upturn and came in

at approximately \$1,925,267 (or 20% above initially projected, \$1,613,229) due to changes in consumption¹. ***Due to this positive trend, the FY 2024-25 Proposed Budget includes projected Prop 56 revenue of \$1,732,740 (which still factors in a 10% decline, as a conservative estimate until a more predictable behavior pattern is supported with data in the upcoming years).***

- CECET

On November 8, 2022, Senate Bill 395 was approved, enacting the Healthy Outcomes and Prevention Education (HOPE) Act, which imposes the California Electronic Cigarette Excise Tax (CECET). CECET went into effect July 1, 2022, and requires retailers of electronic cigarettes to collect from the purchaser, at the time of sale, a tax of 12.5% of the retail selling price of electronic cigarettes either containing or sold with nicotine. The collection of the CECET is in addition to the sales and use tax². ***The projected FY 2024-25 CECET revenue is \$100,000 based on FY2022-23 actuals.***

- Surplus Money Investment Fund (SMIF)

SMIF is the interest accrued from statewide Prop 56 receipts held in State interest earning accounts. Counties receive a share of SMIF interest earned based on the Proposition 10/56 apportionment methodology at fiscal year-end. Thus, it is difficult to project FY2023-24 actuals. ***The FY2024-25 Proposed Budget includes \$25,000 in projected SMIF revenue, based on FY2022-23 actuals.***

- Other Revenue Impacts-- Proposition 31

In November 2022, voters approved Proposition 31—Prohibition on Sale of Certain Tobacco Products (aka, the ‘Flavor Ban’) banning the sale of flavored tobacco products and flavor enhancers, with some exceptions. FY23-24 is the first full year of steep revenue declines resulting from the flavor ban. After which, following fiscal years would experience a leveling off, or more stabilizing revenue stream.

Federal Grants

Earlier this calendar year, First 5 Contra Costa was awarded a grant from the Federal Administration for Children and Families (ACF), within the U.S. Department of Health and Human Services (DHHS). The grant was awarded for the implementation of the “Growing and Retaining Vibrant Homegrown Early Childhood Workforce Project” that intends to gather child care provider input on a childcare workforce compensation assessment and develop a proposed Guaranteed Income pilot for child care providers in our County. The project was submitted by Congressman DeSaulnier on behalf of First 5 Contra Costa as a Congressionally Directed Community Project. The funding award is in the amount of \$150,000. ***The budgeted ACF revenue for FY2024-25 is \$100,000.***

State Grants

The FY 2024-25 Proposed Budget includes multiple State grants from First 5 California and other California State Departments including the California Department of Health Care Services (DHCS):

- First 5 California IMPACT Legacy Grant: First 5 Contra Costa received a two-year IMPACT Grant in the amount of \$1.3M last fall to support children prenatal through age 5 and their families through building statewide quality improvement systems focused on early learning and care experiences. In addition, and associated with this award, is a *First 5 IMPACT Legacy HUB* grant which will primarily be used for a technical database called HUBBE used to track data for child care providers. ***The budgeted revenue for the First 5 CA IMPACT Legacy grant for FY2024-***

¹ Memorandum—Prop. 10 and Prop. 56 Backfill Determinations, From: Gentian Droboniku, Manager Research and Statistics Section, To: Nick Maduros, Director of CA Dept. of Tax and Fee Administration—Financial Operations Bureau, Dec. 14, 2023).

² Tax Guide for California Electronic Cigarette Excise Tax, www.cdtfa.ca.gov/, page 1.

25 is \$689,460 and the projected revenue for the First 5 IMPACT Legacy HUB grant for FY2024-25 is \$60,048.

- First 5 California Regional Home Visiting Technical Assistance and Coordination Grant: First 5 Contra Costa received a two-year grant as part of Bay Area Region 4 regional application in the amount of \$198,256. The purpose of the grant is to promote increased coordination and collaboration to help counties create a sustainable, unified system that supports families with home visiting they need and maximize available funding to serve more families. In addition, at a local level, to host meetings and trainings for Contra Costa County's home visitors and home visiting program leaders to enhance their effectiveness in meeting family needs. **The budgeted revenue for the Regional HV TA & Coordination grant for FY2024-25 is \$127,742.**
- Children and Youth Behavioral Health Initiative (CYBHI)—First 5 has received a two-year grant in the amount of \$400,000 from the California Department of Health Care Services (DHCS) for the Evidenced-Based Practices and Community-Defined Evidence Practices Grant Program Round 1 of the CYBHI. **The purpose of the grant is to scale Positive Parenting Program (Triple P) – the budgeted amount for FY2024-25 is \$260,000.**

Subrecipient Awards

The FY 2024-25 Proposed Budget includes a focus on establishing partnerships with County agencies through Memorandum of Understanding (MOU) agreements that leverage Prop 10 funds with other public and private funding sources. Funding received by First 5 Contra Costa from other County agencies are categorized as 'Subrecipient Awards' to jointly provide the following essential services:

- First 5 will continue to partner with Contra Costa County Superintendent of Schools to support activities for the California State Preschool (CSPP) Quality Rating and Improvement System (QRIS) project in Contra Costa County. The FY 2024-25 funding for CSPP/QRIS will be known later in the summer. **The proposed CSPP revenue includes an estimate of \$ 251,119 that reflects the current FY award amount. These funds leverage First 5 IMPACT funding.**
- First 5 and Contra Costa County Superintendent of Schools will continue to partner to provide services for the Quality Counts California (QCC) Quality Rating and Improvement System (QRIS) project in Contra Costa County. The FY 2024-25 funding for QCC/QRIS will be known later in the summer. **The proposed QCC revenue includes an estimate of \$205,870 that reflects the current FY award amount. These funds leverage First 5 IMPACT funding.**
- First 5 will partner with Contra Costa Behavioral Health (BH) to jointly sponsor Positive Parenting Program (Triple P) services to the 0–5-year-old population in Contra Costa County by blending MHSA funding and Prop 10 funding. **The projected MHSA FY 2024-25 funding for Triple P is \$92,917 and the First 5 proposed budget includes the associated revenue and expenditures.**
- First 5 will continue to partner with Contra Costa County Superintendent of Schools to support activities related to furthering the training and attainment of college credits for early care and education service providers using a state-level Workforce Pathways Grant. The FY 2024-2025 Workforce Pathways Grant revenue will be known later in the summer. **The proposed budget includes a projected revenue for FY2024-25 in the amount of \$10,000.**
- Measure X Children with Disabilities Project. First 5 has been awarded Measure X funding in the amount of \$810,000 to be utilized through a two-year contract with the Employment and Human Services Department (EHSD) starting with the year the agreement was signed, FY2023-24. Due to delays in contracting, unexpended funds allotted in FY2023-24 will be utilized to fund a more well-

developed plan in FY2024-25. Measure X funding will leverage Prop 10 funds to expand services and supports that will build capacity of early care and education providers by increasing their knowledge, skills, and resources to better include children with disabilities. This funding stream is anticipated to continue indefinitely until further notice. **The budgeted Measure X revenue for FY2024-25 is \$670,000.**

Philanthropic Grants

First 5 Contra Costa continues to identify funding opportunities with public sector and philanthropic organizations in furtherance of long-term fiscal sustainability strategies. The FY 2024-25 Proposed Budget includes a grant award from a philanthropic foundation in support of ongoing First 5 activities while most of the past philanthropic grants have sunset.

- Sunlight Giving Foundation Grant: While the final year of three was FY 2023-24, of a general purpose \$100,000 grant award in support of First 5 Contra Costa activities and services, the funds are typically disbursed and received in the subsequent fiscal year, thus this revenue is reflected in FY 2024-25.

Other Revenue – Interest Income

- Other revenue includes First 5's share of interest accrued from Countywide pooled investments, which includes First 5 funds in reserve accounts, which are managed by the Contra Costa County Treasurer-Tax Collector's Office. **The FY 2024-25 Proposed Budget includes a projection of \$200,000, which is a conservative estimate based on past year's interest income earnings attributable to the County's investment strategy coupled with a rise in interest rates on more stable investments.**

Highlights of Programmatic Focus Areas

The proposed budget expenses for FY2024-25 of \$9,770,440 for organizational and programmatic focus areas budget categories are in alignment with the goals and priorities outlined in the FY 2023-26 Strategic Plan. Program expenses support programs, services and resources in three focus areas - Early Childhood Education (\$850,802), Early Intervention (\$1,598,382), and Strengthening Families (\$3,402,229). The Policy Advocacy and Communications Strategy (\$305,532) budget category also includes activities connected to First 5 Contra Costa's four core strategies in the— capacity building, research, resource connection, and advocacy and community engagement. Revisions to the naming of programmatic budget categories may be necessary as staff continue update and align budget categories to the Commission's Strategic Plan adopted terminology. The Family Support Program Area changed to Strengthening Families in the current Plan.

Evaluation

The Evaluation FY2024-25 proposed budget expenses of \$812,146 accounts for 6.5% of the overall costs of the total FY 2024-25 Proposed Budget.

Wages and Benefits

The FY 2024-25 Proposed Budget for wages and benefits totals \$4,874,824, which is a decrease of \$1.0M from the prior FY 2023-24 adopted budget. This is primarily a result of a strategic approach to reassessing existing vacancies and re-hiring needs resulting in the elimination of 7 vacant positions for a total of 27 FTEs. The proposed wages and benefits include:

- Step increases for relevant staff in alignment with the new Commission adopted Salary Schedule that resulted from a recently completed Compensation and Classification Study of all job classifications. The newly adopted Salary Schedule led to an increase in wages for a majority of staff.

- Cost of Living Allowance (COLA) increase of 3% for staff based on the U.S. Bureau of Labor Statistics 'Consumer Price Index (CPI)-- San Francisco Bay Area (March 2024), reflecting an adjusted CPI of 2.4% for the last 12 months. Additionally, a COLA survey of Bay Area First 5 Commissions was conducted to support this decision.
- The FY 2024-25 cost associated with the COLA is \$121,740 and the funding associated with the COLA is included in the proposed budget. The COLA would be effective July 1, 2024.

Administrative and Operating Overhead

The FY 2024-25 Proposed Administrative and Operating Overhead Budget is \$1,817,731 which reflects a decrease of approximately \$100,000 in overall Administrative costs. Administrative and Operating Overhead costs account for: ***Purchased Services & Supplies (\$180,800)*** which includes organization-wide equipment leases, offices supplies, and costs associated with improvements in technology for more efficient work tools for all staff; ***Professional Services (\$237,000)*** which includes County Counsel, Audit costs, and other financial and administrative consulting services; ***and Operating Overhead costs (\$236,955)*** which include costs for County Risk Management, County DoIT/EHSD, rent, maintenance & repair, etc. *The FY 2024-25 planned Administrative and Operating Overhead is under the 15% cap per Commission guidelines.*

Consequence of Negative Action

Should the First 5 Contra Costa Commission elect not to accept the budget report, it would result in an audit finding of non-compliance with the established Commission Bylaws – *Article II, section (g)*.

Attachment

FY 2024-25 Proposed Budget

February 9, 2024

Department of Health Care Services
Director's Office
Attn: Lindy Harrington and René Mollow
P.O. Box 997413, MS 0000
Sacramento, California 95899-7413

RE: CalAIM Section 1115 Continuous Coverage for Children Application

Dear Lindy Harrington and René Mollow,

Executive Directors of the First 5 Bay Area Counties of Alameda, Contra Costa, Marin, Monterey, Napa, San Benito, San Mateo, San Francisco, Santa Clara, Santa Cruz, Solano, and Sonoma strongly and enthusiastically support the **State's amendment to the California Advancing and Innovating Medi-Cal (CalAIM) Section 1115 demonstration to provide continuous coverage in the Medi-Cal program and the Children's Health Insurance Program (CHIP) for eligible children until their fifth birthday.**

First 5's are committed to ensuring the optimal health and well-being of all children, achieving equity in health outcomes, and advocating for broader racial and economic justice. We know that enrollees of color are more likely to experience disruptions in their insurance coverage, thus the proposed amendment is a powerful health equity strategy, securing sustained and reliable access to health services and treatment for our youngest children throughout the Bay Area and the state.

Moreover, pediatric visits serve as a universal gateway to comprehensive preventative care where families can connect with coordinated supports such as speech therapy, occupational therapy, physical therapy, applied behavior analysis, and mental health services. Now through CalAIM, Medi-Cal families also have access to community supports like asthma mediation and housing navigation. Continuous access to full-coverage Medi-Cal is critical for the health and development of children, especially those in families experiencing volatility in employment, income, and housing.

Ensuring timely implementation of continuous enrollment is more important now than ever. California is conducting Medi-Cal redeterminations, and children are once again facing gaps in coverage. From July to November 2023, almost 250,000 California children have already lost their Medi-Cal coverage, most often due to procedural reasons, as part of the unwinding of federal Medicaid continuous coverage protection. The State's proposed amendment to allow continuous coverage for children through their fifth birthday will help reduce churn and gaps in Medi-Cal and CHIP coverage for young children. Children should not lose coverage during their

first five years of life because of administrative and systemic barriers that disproportionately affect families of color.

Additionally, we would like to offer the following comments on the proposed amendment to the California Advancing and Innovating Medi-Cal (CalAIM) Section 1115 demonstration related to continuous coverage for children.

1. **The waiver amendment request should explicitly state that it eliminates the need for annual renewal.** This waiver amendment request will advance the objective of making the Medi-Cal program work better for families by removing procedural hurdles that impact continued enrollment. While likely intended, it is worth explicitly clarifying in the waiver amendment request that the proposed continuous coverage protection eliminates annual renewal forms and determinations for children before the age of five.
2. While we understand that this proposal amends an existing waiver demonstration, which is set to end in two years, **we expect DHCS will seek a new waiver or a continuing waiver beyond the two years so that it has a longer period of evaluation and opportunity to demonstrate its impact.** Although continuous enrollment will likely immediately reduce churn and gaps in coverage for children, as demonstrated during COVID-19 pandemic continuous coverage, it may take longer than two years to realize other impacts as defined in the waiver amendment, including improved access to physical and behavioral health care, and improved health outcomes for young children.
3. **For those in the process of completing their renewal forms when the policy goes into effect, their continuous coverage will take effect immediately and will not be subject to the upcoming redetermination deadline.** This clarification is aligned with the intent of the Department's waiver amendment request, but it is worth explicitly clarifying how these situations are handled at the start date.
4. **We recommend that the roll out of this policy include an outreach campaign to families** to let them know about this new protection available to their children, including who it applies to and who it does not and how that will impact their regular coverage and renewal process.

We are grateful for the State's continued leadership and support for children, families, and communities and strongly urge the Department to submit this waiver amendment request as soon as possible after the public comment period. With this waiver amendment request, California will hopefully be joining other states - like Washington and Oregon - that have already successfully obtained federal approval for their continuous coverage protection policies for young children and are implementing them.

Please reach out to any of the Bay Area First 5 Executive Directors listed below if you have further questions or if we can help with additional information.

Sincerely,

Kristin Spanos, Executive Director First 5 Alameda, kristin.spanos@first5alameda.org

Ruth Fernandez, Executive Director First 5 Contra Costa, rfernandez@first5coco.org

Maria Niggle, Executive Director First 5 Marin, maria@first5marin.org

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Michele Harris, Executive Director First 5 Solano, mdharris@solanocounty.com

Angie Dillon-Shore, Executive Director First 5 Sonoma, adillonshore@first5sonomacounty.org



AB 2982 (Reyes): Bright Beginnings Act

SUMMARY

AB 2982 establishes a statewide Prenatal-to-Three Workgroup to craft recommendations for a 10-year comprehensive, equity-focused prenatal-to-three system policy agenda.

BACKGROUND

California has made important strides in supporting young children and their families. However, significant gaps remain, and it is critical that we comprehensively address the needs of California's infants and toddlers and their families.

Early childhood services are inequitably provided throughout the state by a patchwork of providers. Some services are Medi-Cal eligible, but with few available providers, and others are administered by counties only if resources are available. There is a need for a systemic approach that focuses on the needs of infants and toddlers, ensures access to services regardless of where children live in the state, and uplifts the strengths of all communities, cultures and languages given that 75% of our state's 0-3 population are children of color.

There is an opportunity to tailor services to communities, while ensuring equity in the services available to children across the state.

THIS BILL

AB 2982 would help California move towards more effective, universal, and equity-focused systems and services for infants and toddlers.

The bill would establish a 12-member working group to review current policies and practices at the state and local level related to infants, toddlers, and their families and craft recommendations for improvements. The working group would be responsible for reviewing and creating recommendations that focus on the following:

- 1) Early childhood systems, including the local First 5 infrastructure;
- 2) System building, including financing, data and the unique needs of children of color;
- 3) Partnership with state agencies to ensure policy and program alignment.

The workgroup shall submit its recommendations to the Administration and to the Legislature by January 31, 2026.

SUPPORT

First 5 Association of California (Sponsor)

CONTACT

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March 7, 2024

The Honorable Jesse Gabriel
Chair, Assembly Budget Committee
1020 O Street, Suite 8230
Sacramento, CA 95814

The Honorable Scott Weiner
Chair, Senate Budget Committee
1020 O Street, Suite 502
Sacramento, CA 95814

The Honorable Dr. Corey Jackson
Chair, Assembly Budget Subcommittee 2
1020 N Street, Suite 6120
Sacramento, CA 95814

The Honorable Caroline Menjivar
Chair, Senate Budget Subcommittee 3
1020 N Street, Suite 6720
Sacramento, CA 95814

RE: Maintaining Critical Services for California's Youngest Children

Dear Chairs Gabriel, Jackson, Weiner, and Menjivar:

I write to respectfully request your support for a state budget allocation of \$100 million to ensure that local programs serving California's babies, toddlers, and preschoolers stay intact. This one-time funding request would be allocated to First 5 programs throughout the state and focus on the highest priority areas including:

- Family strengthening programs such as family resource centers, fatherhood programs and home visiting;
- Infant and early childhood mental health services for young children and their caregivers, and workforce training; and
- Child care and early learning supports such as provider coaching, mentoring, and stipends.

For 25 years, local First 5 programs in every county have supported the healthy development and school readiness of millions of California children. Already declining tobacco tax revenues that fund First 5 programs have been dramatically slashed since Proposition 31 (the flavored tobacco ban) was implemented last year. Tobacco tax revenue projections estimate **First 5s will need to cut \$133M** in early childhood community investments over the next two fiscal years and **\$426.8M** in the next five fiscal years. The need is urgent— more than 42% of First 5s have already made program cuts this year and 60% are planning on program cuts in 2024-25.

Without a short term, stop-gap investment from the state, programs serving tens of thousands of low-income children and children of color will end. California's babies, toddlers, and preschoolers should not bear the impact of the flavored tobacco ban in the form of fewer services and opportunities for healthy development.

Local First 5s make up a statewide, 58-county network of early childhood service providers, case managers, grant makers, program coordinators, trusted messengers, researchers, advocates, and effective public stewards of state and local funding. Together this network impacts the lives of more than 1 million kids, families and caregivers each year.

In addition to community program cuts, operational reduction in this network mean First 5s cannot coordinate local early childhood services like home visiting or serve as contract managers for CalAIM (California Advancing and Innovating Medi-Cal) community partners.

Thank you for your consideration of this request. If you have any questions, please contact my Legislative Director, Charmaine Mills, at Charmaine.Mills@asm.ca.gov.

Sincerely,



GAIL PELLERIN
ASSEMBLYMEMBER, 28TH DISTRICT