



Executive Committee Meeting
AGENDA
Monday, March 10th, 2025 - 5pm
4005 Port Chicago Hwy, Concord, CA 94520

The Executive Committee meeting will be accessible in-person, and via Zoom 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:

Join Zoom Meeting

<https://us02web.zoom.us/j/83440113983?pwd=Nsa cue Rz qz CX IM i 735 MV 2 k Z q Z Mu 4 B 6 . 1>

Meeting ID: 834 4011 3983

Passcode: 873962

- 1.0 Convene and call to order**
- 2.0 Public Comment**
- 3.0 Approve the Minutes of the Executive Committee Meeting on January 27th, 2025** **Action**
- 4.0 CONSIDER accepting the report on significant program, financial or contracts matters, and on any personnel matters relating to Commission staff.** **Discussion**
 - 4.1** Receive updates from the Deputy Director
 - 4.2** Receive updates from the Finance and Operations Director
 - 4.3** Receive updates from the Executive Director
 - Sustainability Plan Development Updates
- 5.0 RECEIVE Staff Overview Presentation of Proposed FY 2025-26 Budget** **Discussion**
- 6.0 DISCUSS matters regarding the operation of the Commission.** **Discussion**
 - 6.1** Completion of Form 700 by all Commissioners before April 1, 2025
- 7.0 CONSIDER accepting the report on statewide activities pertaining to children 0-5, including the activities of the First 5 Association of California, First 5 California, and other statewide advocacy groups.** **Discussion**
 - First 5 CA Advocacy Day Registration and Activities – April 9, 2025
- 8.0 REVIEW agenda items for upcoming Commission Meetings.** **Discussion**
- 9.0 Communications**
 - First 5 Association of California Calls on Congress to Reject Alarming Health Care Cuts That Will Hurt Young Children and Families
 - First 5 Association 2025 Policy Priorities
- 10.0 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 4005 Port Chicago Highway, 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



**Executive Committee Meeting
MINUTES**

**Monday, January 27, 2025, 5:00pm
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 5:08 p.m.

In attendance: John Jones, Dr. Marla Stuart, Mary Helen Rocha, Vidya Iyengar

Staff present: Executive Director, Dr. Ruth Fernández; Deputy Director, Sandra Naughton; Finance and Operations Director, Kelly Sessions; Executive Assistant, Mikele Nelson.

2.0 Public Comment.

No public comment.

3.0 Approve the Minutes of the Executive Committee Meeting on January 13, 2025:

Dr. Marla Stuart motioned to approve the minutes of the Executive Committee meetings on January 13, 2025, and John Jones seconded the motion. The minutes were approved.

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

4.1 Receive updates from Deputy Director

Sandra Naughton reported the January Family Economic Security Partnership meeting had a good turnout and included a dialogue with the new Supervisor Shanelle Scales-Preston, who welcomed collaboration with the members. The next meeting will be held in spring. Sandra also reported on the Ready Kids East County Big Table event, which brought together systems partners and service providers serving African American families in East County and representing school readiness, family resilience, birthing systems, and education systems. The expected outcome of the January 25th Kick-off Big Table event is to share information, gather input, and identify key topics for future exploration, particularly around sustainable, culturally responsible programs, and improving early interactions with African American children and families.

4.2 Receive updates from the Finance and Operations Director:

Kelly Sessions provided a FY 2025-26 budget update, noting that the proposed budget will include vacant positions which include a Program Coordinator position funded for a full year and the Data & Policy position funded for half a year, allowing flexibility to hire in FY 2025-26. Regarding revenue, he addressed Commissioner Marla Stuart's previous question, clarifying that the preliminary revenue budget was \$800K less than last year's actual revenue receipts but more than last year's adopted budget by \$300K. The Commission will receive the Q2 financial report at the February 10 Commission meeting, and the proposed budget will be presented for adoption at the March 10 meeting.

4.3 Receive updates from the Executive Director: Sustainability Plan Development Updates – Guest presenter Cathy Senderling-McDonald

Dr. Ruth Fernández and Cathy Senderling-McDonald provided an update on the Sustainability Plan development, emphasizing the need for a feedback loop with the Commission with an



ambitious timeline to complete process within six months. Cathy shared her background and understanding of Proposition 10's declining resources, highlighting efforts to support local commissions through capacity building. A public playbook for First 5 Commissions will be released very soon by First 5 California. Key focus areas include funding diversification and integration into strategic planning, with Contra Costa's approach serving as a model. Cathy also presented on a draft Charter created for the Sustainability Plan Work Group to ensure the Plan is reflective, responsive, realistic, and bold. Commissioners discussed the need for clear goals, including specifying new funding sources and distinguishing program continuation from funding strategies. The plan is designed as a five-year framework with ongoing assessment, integrating check-ins and progress reports into the strategic plan. Commissioners debated positioning—whether as partners, conveners, or competitors—and the expectation of tangible outcomes with clear benchmarks and fund balance goals. Participation expectations include 3-4 Commissioners and First 5 staff Executive Team, with input from internal and external partners. Ruth clarified Brown Act considerations, framing the Sustainability Plan development effort as a staff led, non-Brown Act work group chaired by the Executive Director. Potential contributors suggested included the Deputy County Administrator, fundraising experts, and nonprofit partners.

5.0 DISCUSS matters regarding the operation of the Commission.

2025 Commissioners Attendance Review: Dr. Ruth Fernández shared that, as reported at the prior Executive Committee meeting Commission staff are tracking attendance for Commissioners including the total number of requested exceptions made by each commissioner during the calendar year and to date, for the calendar year, attendance is good.

Completion of Form 700 by all Commissioners before April 1, 2025: Dr. Ruth Fernández reminded Commissioners that the process for Form 700 submissions has begun, and the deadline is April 1, 2025.

6.0 CONSIDER accepting the report on statewide activities pertaining to children 0-5, including the activities of the First 5 Association of California, First 5 California, and other statewide advocacy groups.

First 5 CA Advocacy Day Registration and Activities: Dr. Ruth Fernández reported that First 5 CA Advocacy Day will take place on April 9 in Sacramento. A save-the-date will be sent to Commissioners. Advocacy Day entails a full day of meetings, starting with First 5 Network convening for context setting followed by meetings with legislative offices at the Capitol. The event will also include policy-focused panels and discussions. Association will provide a policy platform and talking points, each County Commission can determine key local issues to highlight with their legislative representatives.

First 5 IMPACT Legacy funding: Dr. Ruth Fernández previously reported general highlights about the status of the First 5 Association's \$25 Million Sustainability Fund proposal to First 5 California. The state First 5 Commission released a First 5 Resilience Fund Framework as a counterproposal to the Sustainability Fund Proposal. The Resilience Fund asks for \$18 million over three years. Within this framework, a stabilization category allocates \$15 million over three years to a Small Population County Funding Augmentation for 21 small rural counties, and a \$3 million allocation for emergencies, capacity building, and long-term sustainability efforts across the First 5 Network.

7.0 Review agenda items for upcoming Commission Meetings.

Deputy County Counsel Kurtis Keller is unavailable to attend and give his annual Conflict of



Interest Presentation, however he will provide a written memo for Commission approval on the Consent Calendar.

8.0 Communications

None.

9.0 Adjourn – Meeting adjourned at 6:30 p.m.



**Staff Report
March 10, 2025 (Commission Mtg.)**

ACTION: X
DISCUSSION:

TITLE: FY 2025/26 Proposed Budget, First 5 Contra Costa

Recommendation

Approve the FY 2025/26 Proposed Budget for First 5 Contra Costa.

Background

Per Article II(g) of the First 5 Contra Costa Commission Bylaws, the Commission is required to “approve an annual budget” as part of its Powers and Duties. The FY 2025/26 Proposed Budget fulfills that responsibility while maintaining alignment with First 5’s long-term fiscal strategies including:

- Leveraging Proposition 10, Proposition 56, and CECET (California Electronic Cigarette Excise Tax) 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
- Securing public and philanthropic grants to further enhance First 5 activities focused on supporting young children and their families

Fiscal Impact

The FY 2025/26 Proposed Budget maintains focus on continuity of the Strategic Plan’s Focus Areas with some programmatic changes—including only revenues and expenditures forecasted with a high degree of probable actualization. With total revenues of \$8.4 million and total expenditures of \$11.9 million, the budget requires a drawdown from fund balance of approximately \$3.5 million, approximately \$0.3 million more than last year’s budgeted amount.

History of California Cigarette and Tobacco Tax Revenues

In November 1998, California voters passed Proposition 10, the “Children and Families Act of 1998”. The act levies a tax on tobacco products to provide funding for early childhood development programs. In November 2016, voters passed Proposition 56, increasing the tax on cigarettes and other tobacco products for the purpose of expanding healthcare to those in need. In 2020, Governor Gavin Newsome signed a law banning the sale of flavored tobacco products in California. Although the law was challenged in court, the law was upheld in November 2022 when voters overwhelmingly approved Proposition 31, which specifically prohibited the sale of flavored tobacco products and flavor enhancers, with some exceptions. Lastly, on November 8,

2022, Senate Bill 395 was approved, enacting the Healthy Outcomes and Prevention Education (HOPE) Act, which imposed the California Electronic Cigarette Excise Tax (CECET).

Proposition 10

After the passage of Proposition 10 in November 1998, Governor Gavin Newsome authorized a new law in 2020 banning the sale of flavored tobacco products in California; the following year, this legislation would result in a one-year decline of 19.0% in Proposition 10 revenue for First 5 Contra Costa, and an average decrease of 9.4% over the following three years.

After the November 2022 passage of Proposition 31 (a ballot initiative affirming the ban of flavored tobacco products in California), Capitol Matrix Consulting prepared a report on behalf of the First 5 Association indicating a decline in state cigarette and tobacco tax revenues of up to 15%. The report further projected that the steep decline in Prop 10 revenue would eventually level off to approximately 3.6% annually by FY 2025/26 and FY 2026/27. While the decline in Prop 10 tax revenue has certainly slowed down, First 5 Contra Costa continues to experience annual decreases of Prop 10 revenue in the 6% to 7% range. *Based on actual receipts for the first half of the current fiscal year, the FY 2025/26 Proposed Budget represents a fiscally conservative approach, projecting Prop 10 revenue at \$4,290,525, a decrease of 9.7% over the FY 2024/25 Adopted Budget, and a 12.3% decrease from FY 2023/24 audited actuals, or approximately 6.1% annually.*

Proposition 56

FY 2020/21 was the first year of steep Proposition 10 revenue declines resulting from legislation prohibiting the sale of flavored tobacco products. The succeeding fiscal years continued this decline, but at a slower pace. This loss in revenue was offset and backfilled by Proposition 56 revenues.

Although revenue for the Prop 56 backfill experienced a 12% decline from FY 2021/22 to FY 2022/23, it took a surprising upturn in FY 2023/24 to \$1,925,267, increasing the average receipts over the last four years to \$1,936,800. *Due to this positive trend, the FY 2025/26 Proposed Budget includes projected Prop 56 revenue of \$1,925,267, the amount received in FY 2023/24, and slightly less than the four-year average.*

CECET

CECET, which went into effect on July 1, 2022, requires retailers of electronic cigarettes to collect a tax from the purchaser 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 tax. *First-year collections totaled \$95,867, while second year collections jumped to \$141,172. Third year collections are projected to drop back down to \$97,836, which is where they are conservatively budgeted for FY 2025/26 and going forward.*

Surplus Money Investment Fund (SMIF)

SMIF revenue derives from the interest accrued from statewide Prop 56 receipts while being held in interest-bearing accounts. Each county receives its share of SMIF interest earnings based on the Proposition 10/56 apportionment methodology calculated at fiscal year-end. Although the FY 2024/25 SMIF Budget totals \$25,000, *FY 2023/24 actuals total \$47,622; therefore, the FY 2025/26 Budget is proposed at \$40,000 in projected SMIF revenue.*

Federal Grants: \$0

Although First 5 Contra Costa was awarded a grant from the Federal Administration for Children and Families (ACF) during the prior fiscal year, no such grant funds are anticipated for FY 2025/26.

State Grants: \$672,308

The FY 2025/26 Proposed Budget includes multiple State grants from First 5 California and other California State Departments including the following:

- *First 5 California IMPACT Legacy Grant:* First 5 Contra Costa received a two-year IMPACT Grant in the amount of \$1.3 million in August 2023 to support children prenatal through age 5 and their families through building statewide quality improvement systems focused on early learning and care experiences. *The First 5 CA IMPACT Legacy grant for FY 2025/26 is budgeted at \$628,892, a reduction of 10.0% from the FY 2024/25 budget.*
- *Children and Youth Behavioral Health Initiative (CYBHI):* First 5 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 the Positive Parenting Program (Triple P). Not all programmatic activities were completed within the initial term of this grant, so a no-cost extension will permit a carryforward amount in FY 2025/26 of \$43,416.*

Subrecipient Awards: \$747,449

The FY 2025/26 Proposed Budget includes a focus on establishing partnerships with County agencies and other partner organizations 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 or other partner organizations are categorized as “Subrecipient Awards” to provide the following essential services:

- First 5 will continue to partner with the 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. *CSPP revenue is budgeted at \$ 251,119. These funds leverage First 5 IMPACT funding.*
- First 5 and the 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 proposed QCC/QRIS revenue is budgeted at \$205,870. These funds leverage First 5 IMPACT funding.*
- 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 proposed budget for FY 2025/26 includes revenue in the amount of \$10,000.*
- First 5 will partner with Contra Costa Behavioral Health (BH) to jointly sponsor Positive Parenting Program (Triple P) services through COPE to children ages 0–5 in Contra Costa County by blending Mental Health Services Act (MHSA) funding with Prop 10 funding. *The First 5 Proposed Budget includes MHSA funding for Triple P at \$92,023 for FY 2025/26.*

- First 5 is partnering with our county’s resource and referral agency CocoKids to evaluate a wage boost program for child care workers. The wage boost is funded through Measure X funds that were awarded to CocoKids, and the evaluation will span multiple fiscal years. *The proposed revenue for this effort is budgeted at \$124,747 for FY 2025/26.*
- First 5 is receiving time-limited federal funding administered by the State Office of Child Abuse Prevention that is awarded to the Contra Costa Employment & Human Services Department’s (EHSD) Children & Family Services Bureau. Through an agreement with EHSD, First 5 will receive funds to be used during the last three months of this fiscal year and the first three months of FY 2025/26. These funds will be used to augment the concrete supports and fatherhood engagement services offered at three First 5 Centers. *The proposed revenue for this effort is budgeted at \$63,690 for FY 2025/26.*

Philanthropic Grants: \$230,100

First 5 Contra Costa continues to identify funding opportunities with philanthropic organizations in furtherance of long-term fiscal sustainability strategies. The FY 2025/26 Proposed Budget includes a grant award from Sunlight Giving from FY 24/25 that will carryforward into FY 2025/26; hence, \$35,000 is showing as an expense in the budget but not as new revenue.

- Leshar Ready Kids East County - Womb to Classroom: The Ready Kids East County (RKEC) is a strategic partnership between First 5 Contra Costa and the Dean & Margaret Leshar Foundation. Launched in 2019, this partnership ushered in creative programming, resources, and services available to Black families in East County. In 2025, First 5 launched the next phase called “Womb to Classroom,” which seeks to support Black and African American families from pregnancy to school by connecting service providers to create “villages” that center Black families and build stronger bridges over adversity “cliffs” such as the transition from early learning to a school district for kindergarten. *Proposed funding for Phase II of the project totals \$230,100 in FY 2025/26.*

Other Revenue: \$428,294

- Interest Income: First 5’s fund balance started the 2024/25 fiscal year at \$17.9 million. This amount is managed by the Contra Costa County Treasurer-Tax Collector’s Office in reserve accounts as part of its pooled investment funds. Interest earnings in FY 2023/24 totaled \$752,990 against the fund balance of \$17.9 million, equaling an effective interest rate of 4.2%. If First 5 Contra Costa draws down its entire budgeted amount of \$3.2 million in fund balance to close out the 2024/25 fiscal year, the remaining balance would be \$14.7 million. A 3.0% return would generate over \$440,000 in interest earnings. *The FY 2025/26 Proposed Budget includes a projection of \$400,000.*
- Other Miscellaneous Income: *Totaling \$28,294, this income includes revenue received from the rental of First 5’s Pittsburg property (\$22,094), rental of the Administrative Building’s Conference Room (\$1,200), and other miscellaneous income (\$5,000).*

Highlights of Programmatic Focus Areas

The proposed expenditure budget of \$9,314,427 for FY 2025/26 for organizational and programmatic focus area 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 (\$658,888), Strengthening Families (\$3,718,396), and Early Intervention (\$778,992). Contracts to support First 5 Centers total \$3,671,326 and account for 39.4% of all Program expenses. The Policy Advocacy and Communications Strategy budget (\$246,299) includes activities connected to three of First 5 Contra Costa's core strategies: capacity building, research, and advocacy and community engagement. *Employee salaries and benefits to provide the services listed total \$3,307,234 and comprise 35.5% of the Program budget.*

Evaluation

The FY 2025/26 proposed Evaluation budget totals \$801,171 and accounts for 6.7% of First 5 Contra Costa's overall FY 2025/26 Proposed Budget. *Employee salaries and benefits total \$531,831 and comprise 66.4% of the Evaluation budget.*

Administrative Expenses

The FY 2025/26 Proposed Administrative Department expenses total \$1,837,158 which reflects a minor decrease of \$15,573 (0.8%) over the FY 2024/25 Adopted Budget. Certain expenses that support the First 5 organization as a whole are shared across the agency, including the cost of the First 5 administrative offices (e.g. rent, common area maintenance, building maintenance, etc.), insurances, Finance, HR and IT support, and County Counsel). The Administrative Department's share of these expenses include:

- \$1,180,293 for employee salaries and benefits, totaling 64.2% of the Administrative budget
- \$211,619 for Professional Services, including financial, audit and actuarial services, human resources expenses, County Counsel expenses, and other miscellaneous contracts. Also included here is a new line-item called "emerging projects;" totaling \$37,271; this account equals one-half of 1.0 percent (0.5%) of the previous fiscal year's Proposition 10 Focus Area budget) and will be used for recurring disasters, unexpected economic downturns and any urgent needs that emerge that may not be reflected in the Strategic Plan
- \$152,803 for Purchased Services & Supplies, including organization-wide equipment leases, software licenses, office supplies, temporary employee help, and costs associated with improvements in technology for more efficient work tools
- \$292,443 for all other expenses and overhead, including First 5 administrative office expenses described above, IT professional services from the County, insurance coverage, travel and training, dues and subscriptions, etc. Also included here is \$37,271 for the Executive Director's contingency funding; this account is calculated in the same way as the Emerging Projects line-item listed above

Wages and Benefits

The FY 2025/26 Proposed Budget for all First 5 wages and benefits totals \$5,019,357, which is an increase of \$144,534 or 3.0% from the FY 2024/25 Adopted Budget. These wages and benefits include:

- A cost-of-living allowance (COLA) increase of 3.0% effective July 1, 2025 for all regular employees listed on the Commission-approved Compensation and Benefits Resolution. This increase is based on the U.S. Bureau of Labor Statistics' Consumer Price Index (CPI)--San Francisco Bay Area for December 2024, which reflects an adjusted CPI of 2.4% over the last 12 months
- Step increases are included for all staff eligible to receive one during the 2025/26 fiscal year
- Labor expenses are "fully loaded" at actual usage levels, including the full cost of CCCERA retirement benefits, healthcare costs at the current 2025 healthcare rate plus an appropriate increase for 2026 rates, and all other insurances provided by First 5. At \$1.8 million, benefits comprise approximately 37% of the entire compensation package.
- The \$98,686 cost to fund retiree healthcare ("OPEB") is also included in the budget and allocated by FTE count to the Program budget, the Evaluation budget and the Administrative budget. This cost is an actuarial estimate and is calculated by First 5's actuary (Nyhart).

Consequence of Negative Action

Should the First 5 Contra Costa Commission elect not to approve the budget, it would result in an audit finding of non-compliance with the established Commission Bylaws – Article II, section (g) and would delay provision of First 5 services to Contra Costa County residents.

Attachments

- FY 2025/26 First 5 Contra Costa Proposed Revenue and Expenditure Budget Summary
- FY 2025/26 First 5 Contra Costa Proposed Revenue Budget Detail

FY 2025/26 PROPOSED BUDGET



REVENUE ¹	
State Tobacco Taxes ²	
Federal Grants	
State Grants ³	
Subrecipient Awards ³	
Philanthropic Grants ³	
Other Revenue ⁴	
TOTAL REVENUE	
Prop 10/56 Fund Balance Drawdown	
TOTAL REVENUE	
PROGRAMMATIC FOCUS AREAS EXPENSES	
Early Childhood Education	
Workforce Development	
Quality Early Learning	
Ready Kids East County School Readiness Initiative	
Total	
Strengthening Families	
First 5 Centers	
Home Visiting System Coordination	
Parent Advisory Group ⁵	
Total	
Early Intervention	
EI Support Services	
Capacity Building and Outreach ⁶	
Help Me Grow Services & Developmental Playgroups	
Trauma-Informed Systems	
Total	
Policy Advocacy & Communications Strategies	
Communications Strategy & Policy Advocacy	
Total	
Program Salaries/Benefits and Overhead Expenses	
Program Salaries & Wages	
Program Employee Benefits	
Program Expenses and Overhead ⁷	
Total	
TOTAL PROGRAM EXPENSES	
EVALUATION EXPENSES	
Evaluation Salaries & Wages	
Evaluation Employee Benefits	
Professional Services	
Purchased Services and Supplies	
Evaluation Expense and Overhead ⁷	
TOTAL EVALUATION EXPENSES	
ADMINISTRATIVE EXPENSES	
Administrative Salaries & Wages	
Administrative Employee Benefits	
Professional Services	
Purchased Services and Supplies	
Administrative Expense and Overhead ⁷	
TOTAL ADMINISTRATIVE EXPENSES	
GRAND TOTAL	

FY 2024/25 Approved Budget *			
F5 Contra Costa Funds	Other Funds	Total Revenue	% of Total
6,609,880	-	6,609,880	52.8%
-	56,600	56,600	0.5%
-	1,137,249	1,137,249	9.1%
-	1,226,031	1,226,031	9.8%
-	100,000	100,000	0.8%
200,000	-	200,000	1.6%
6,809,880	2,519,880	9,329,760	74.6%
-	-	3,182,611	25.4%
6,809,880	2,519,880	12,512,371	100.0%
F5 Contra Costa Funds	Other Funds	Total Expense	% of Total
-	56,600	56,600	0.5%
75,753	497,322	573,075	4.6%
165,565	-	165,565	1.3%
241,318	553,922	795,240	6.4%
3,451,710	-	3,451,710	27.6%
-	64,865	64,865	0.5%
-	-	-	0.0%
3,451,710	64,865	3,516,575	28.1%
109,784	286,784	396,567	3.2%
166,000	604,689	770,689	6.2%
437,695	-	437,695	3.5%
11,700	-	11,700	0.1%
725,179	891,473	1,616,651	12.9%
290,200	15,332	305,532	2.4%
290,200	15,332	305,532	2.4%
1,476,357	529,998	2,006,355	16.0%
858,735	337,782	1,196,517	9.6%
410,623	-	410,623	3.3%
2,745,715	867,780	3,613,495	28.9%
7,454,122	2,393,372	9,847,494	78.7%
F5 Contra Costa Funds	Other Funds	Total Expense	% of Total
316,535	16,840	333,375	2.7%
167,467	8,134	175,601	1.4%
208,250	2,500	210,750	1.7%
20,500	-	20,500	0.2%
71,920	-	71,920	0.6%
784,672	27,474	812,146	6.5%
F5 Contra Costa Funds	Other Funds	Total Expense	% of Total
749,315	-	749,315	6.0%
413,661	-	413,661	3.3%
267,000	-	267,000	2.1%
175,800	5,000	180,800	1.4%
241,955	-	241,955	1.9%
1,847,731	5,000	1,852,731	14.8%
10,086,525	2,425,846	12,512,371	100.0%

FY 2025/26 Proposed Budget			
F5 Contra Costa Funds	Other Funds	Total Revenue	% Change
6,353,628	-	6,353,628	-3.9%
-	-	-	-100.0%
-	672,308	672,308	-40.9%
-	747,449	747,449	-39.0%
-	230,100	230,100	130.1%
428,294	-	428,294	114.1%
6,781,922	1,649,857	8,431,779	-9.6%
-	-	3,520,977	10.6%
6,781,922	1,649,857	11,952,756	-4.5%
F5 Contra Costa Funds	Other Funds	Total Expense	% Change
-	134,747	134,747	138.1%
331,950	62,891	394,841	-31.1%
-	129,300	129,300	-21.9%
331,950	326,938	658,888	-17.1%
3,671,326	-	3,671,326	6.4%
31,970	-	31,970	-50.7%
15,100	-	15,100	0.0%
3,718,396	-	3,718,396	5.7%
612,454	141,043	753,497	90.0%
25,494	-	25,494	-96.7%
-	-	-	-100.0%
-	-	-	-100.0%
637,949	141,043	778,992	-51.8%
211,299	35,000	246,299	-19.4%
211,299	35,000	246,299	-19.4%
1,478,508	600,613	2,079,121	3.6%
868,740	359,373	1,228,113	2.6%
604,619	-	604,619	47.2%
2,951,866	959,986	3,911,852	8.3%
7,851,460	1,462,967	9,314,427	-5.4%
F5 Contra Costa Funds	Other Funds	Total Expense	% Change
350,394	-	350,394	5.1%
181,437	-	181,437	3.3%
134,000	-	134,000	-36.4%
20,870	-	20,870	1.8%
114,470	-	114,470	59.2%
801,171	-	801,171	-1.4%
F5 Contra Costa Funds	Other Funds	Total Expense	% Change
772,969	-	772,969	3.2%
407,323	-	407,323	-1.5%
211,619	-	211,619	-20.7%
152,803	-	152,803	-15.5%
292,443	-	292,443	20.9%
1,837,158	-	1,837,158	-0.8%
10,489,789	1,462,967	11,952,756	-4.5%

FY 2024/25	% of Total Expenses
Program Initiatives	78.7%
Evaluation	6.5%
Administration	14.8%
Total:	100.0%

FY 2025/26	% of Total Expenses	YOY Percent Change
Program Initiatives	77.9%	-5.4%
Evaluation	6.7%	-1.4%
Administration	15.4%	-0.8%
Total:	100.0%	-4.5%

NOTES:

- * FY 24/25 Adopted Budget included for context, prior year revenue/expenditure.
- 1. Revenue sources are detailed in "FY 25/26 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.
- 3. Includes indirect revenue from grants totaling \$150,058: State Grants (\$82,029), Subrecipient Awards (\$44,953), and Philanthropic Grants (\$23,076).
- 4. Includes interest earnings proportional to First 5's share of County pooled investments (fluctuations based on investment returns).
- 5. Budget previously included under First 5 Centers.
- 6. Budget previously included under Help Me Grow Services & Developmental Playgroups and Trauma-Informed Systems.
- 7. Includes departmental expenses plus allocated costs (e.g. rent, CAM, insurance, and maintenance Admin Bldg; Finance, HR and IT support; County Counsel, etc.).

FY 25/26 Revenue Summary x Source



FY 2025/26 Proposed Budget

	REVENUE	F5 Contra Costa Funds	Other Funds	Total Revenue	Totals
1	State Tobacco Tax				6,353,628
2	Sales Tax Apportionment - Proposition 10	4,290,525	-	4,290,525	-
3	Proposition 56 (Flavor Ban Backfill)	1,925,267	-	1,925,267	-
4	CECET (CA Electronic Cigarette Excise Tax)	97,836	-	97,836	-
5	SMIF (CA Surplus Money Investment Fund)	40,000	-	40,000	-
6	Federal Grants			-	-
7	Early Childhood Workforce Compensation Project (ACF)	-	-	-	-
8	State Grants			-	672,308
9	First 5 California IMPACT Legacy Grant (QRIS)	-	628,892	628,892	-
10	Children & Youth Behavioral Health Initiative (CYBHI)--Triple P	-	43,416	43,416	-
11	Subrecipient Awards			-	747,449
12	CA State Preschool Quality Block Grant (CSPP)	-	251,119	251,119	-
13	Quality Counts California (QCC)	-	205,870	205,870	-
14	Workforce Pathways (CCCOE)	-	10,000	10,000	-
15	MHSA-Behavioral Health Agreement (Triple P)	-	92,023	92,023	-
16	CocoKids - Child Care Boost Initiative	-	124,747	124,747	-
17	EHSD - Children and Family Services Bureau	-	63,690	63,690	-
18	Philanthropic Grants			-	230,100
19	Leshar Ready Kids East County - Womb to Classroom	-	230,100	230,100	-
20	Other Revenue			-	428,294
21	Interest Income	400,000	-	400,000	-
22	Other Misc. Income ¹	28,294	-	28,294	-
	TOTAL FY 25/26 REVENUE	6,781,922	1,649,857	8,431,779	8,431,779

¹ Combination of Rental Income (Pittsburg site), Conference Room rental, and other misc. income



FOR IMMEDIATE RELEASE

Contact: Courtney Armstrong

Courtney@first5association.org

First 5 Association of California Calls on Congress to Reject Alarming Health Care Cuts That Will Hurt Young Children and Families

SACRAMENTO, CA (February 27, 2025)—The First 5 Association of California—which represents First 5 Commissions across the state’s 58 counties—issued the following statement regarding the House Republican budget plan that could eliminate vital health care benefits for an estimated five million California children.

First 5 Association – Attributed to Avo Makdessian, Executive Director, First 5 Association of California:

“About half of all young Californians (ages 0-5) receive their health care through Medi-Cal, making it a lifeline for children and families—especially those in low-income communities and underserved communities who already face barriers to accessing quality care. At a time when California children are already facing unprecedented health care needs due to economic challenges, the lasting effects of the COVID-19 pandemic, and longstanding disparities, cutting Medicaid funding would spike long-term costs by eliminating early interventions that prevent more serious health issues down the road. California’s 58 First 5 Commissions work within Medi-Cal and other health programs to facilitate families’ access to preventive care, screenings, and support—all services threatened by this budget proposal. We call on Congress and the Trump Administration to reject this proposal and protect Medicaid funding. Investing in young children—especially in preventive care—strengthens families, improves health outcomes, and reduces long-term costs.”

Background Information

Here are some initial estimates of California children ages 0-5 who could lose health care under the GOP budget plan:

County	# of Children 0-5 in Medi-Cal	Est. # of Children 0-5	% of Children 0-5 on Medi-Cal
Fresno	62,519	83,038	75%
Kern	58,690	74,849	78%
Kings	8,433	12,818	66%
Orange	82,699	188,974	44%
Riverside	104,989	164,342	64%
San Bernadino	105,116	160,499	65%
Tulare	33,067	40,408	82%

About First 5 Association of California

The First 5 Association of California represents the state's 58 county First 5 Commissions. Together, First 5 supports over one million children and families each year, advancing policies and investments that ensure young children are healthy, safe, and ready to learn. The Association works to advance state and federal public policies and funding that support California's young children and families. Our policy work is informed by local communities and local First 5 Commissions and is grounded in a whole child / whole family lens. We do this while centering the fact that low-income communities, communities of color, and historically marginalized Californians face disproportionate impacts due to systemic racism, wealth inequality, and environmental hazards.

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2025 POLICY PRIORITIES

First 5 Association works to advance state and federal public policies and funding that support California's young children and families. Our policy work is informed by local communities and local First 5 Commissions and is grounded in a whole child / whole family lens. We do this while centering the fact that low-income communities, communities of color, and historically marginalized Californians face disproportionate impacts due to systemic racism, wealth inequality, and environmental hazards.

Our goal is to have public policies and investments in place that center equity, prevention, systems building, and coordination to build comprehensive and integrated early childhood systems of care.

Policy Priorities



THRIVING FIRST 5 COMMISSIONS AND SYSTEM OF CARE

- Protect and leverage health, family, and child development investments with a shared goal of removing barriers to accessing systems of care
- Ensure First 5s are identified and prioritized as fund administrators, intermediaries, and systems partners in the securing and safeguarding of dedicated funding for early childhood systems.
- Secure stabilization and ongoing funding sources for First 5 Commissions, prioritizing counties that need financial support most, to ensure continued positive child outcomes.



COMPREHENSIVE CARE AND DEVELOPMENT

- Improve prevention, care coordination, screenings, navigation, and re-certification supports for Medi-Cal and other systems of care.
- Advocate for increased access to and timeliness of early intervention and infant and early childhood mental health (IECMH) services, including assessments and validated developmental screening tools.
- Seek to improve outcomes in maternal and infant health in communities of color impacted by disparate outcomes* by dismantling racist practices and developing culturally safe systems in partnership with health providers and systems of care.



ECONOMICALLY SECURE FAMILIES

- Increase access to culturally responsive and trauma-informed family support services that promote resiliency and build parents' capacity to support their children's optimal development.
- Increase access to economic supports that empower families to meet the basic needs of children.



EARLY CARE AND EDUCATION

- Prioritize and scale early care and education mixed-delivery opportunities, with a focus on infant and toddler care.
- Support quality training and professional growth pathways for early educators and childcare providers, with a focus on infant and toddler care.
- Promote recruitment and retention of the early educator and childcare workforce by uniting with statewide partners to advocate for increased benefits and true cost of care wages.

*Black, Native Hawaiian and Pacific Islander, American Indian and Alaska Native, Indigenous, and multiracial



**Executive Committee Meeting
MINUTES**

**Monday, January 27, 2025, 5:00pm
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 5:08 p.m.

In attendance: John Jones, Dr. Marla Stuart, Mary Helen Rocha, Vidya Iyengar

Staff present: Executive Director, Dr. Ruth Fernández; Deputy Director, Sandra Naughton; Finance and Operations Director, Kelly Sessions; Executive Assistant, Mikele Nelson.

2.0 Public Comment.

No public comment.

3.0 Approve the Minutes of the Executive Committee Meeting on January 13, 2025:

Dr. Marla Stuart motioned to approve the minutes of the Executive Committee meetings on January 13, 2025, and John Jones seconded the motion. The minutes were approved.

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

4.1 Receive updates from Deputy Director

Sandra Naughton reported the January Family Economic Security Partnership meeting had a good turnout and included a dialogue with the new Supervisor Shanelle Scales-Preston, who welcomed collaboration with the members. The next meeting will be held in spring. Sandra also reported on the Ready Kids East County Big Table event, which brought together systems partners and service providers serving African American families in East County and representing school readiness, family resilience, birthing systems, and education systems. The expected outcome of the January 25th Kick-off Big Table event is to share information, gather input, and identify key topics for future exploration, particularly around sustainable, culturally responsible programs, and improving early interactions with African American children and families.

4.2 Receive updates from the Finance and Operations Director:

Kelly Sessions provided a FY 2025-26 budget update, noting that the proposed budget will include vacant positions which include a Program Coordinator position funded for a full year and the Data & Policy position funded for half a year, allowing flexibility to hire in FY 2025-26. Regarding revenue, he addressed Commissioner Marla Stuart's previous question, clarifying that the preliminary revenue budget was \$800K less than last year's actual revenue receipts but more than last year's adopted budget by \$300K. The Commission will receive the Q2 financial report at the February 10 Commission meeting, and the proposed budget will be presented for adoption at the March 10 meeting.

4.3 Receive updates from the Executive Director: Sustainability Plan Development Updates – Guest presenter Cathy Senderling-McDonald

Dr. Ruth Fernández and Cathy Senderling-McDonald provided an update on the Sustainability Plan development, emphasizing the need for a feedback loop with the Commission with an

ambitious timeline to complete process within six months. Cathy shared her background and understanding of Proposition 10's declining resources, highlighting efforts to support local commissions through capacity building. A public playbook for First 5 Commissions will be released very soon by First 5 California. Key focus areas include funding diversification and integration into strategic planning, with Contra Costa's approach serving as a model. Cathy also presented on a draft Charter created for the Sustainability Plan Work Group to ensure the Plan is reflective, responsive, realistic, and bold. Commissioners discussed the need for clear goals, including specifying new funding sources and distinguishing program continuation from funding strategies. The plan is designed as a five-year framework with ongoing assessment, integrating check-ins and progress reports into the strategic plan. Commissioners debated positioning—whether as partners, conveners, or competitors—and the expectation of tangible outcomes with clear benchmarks and fund balance goals. Participation expectations include 3-4 Commissioners and First 5 staff Executive Team, with input from internal and external partners. Ruth clarified Brown Act considerations, framing the Sustainability Plan development effort as a staff led, non-Brown Act work group chaired by the Executive Director. Potential contributors suggested included the Deputy County Administrator, fundraising experts, and nonprofit partners.

5.0 DISCUSS matters regarding the operation of the Commission.

2025 Commissioners Attendance Review: Dr. Ruth Fernández shared that, as reported at the prior Executive Committee meeting Commission staff are tracking attendance for Commissioners including the total number of requested exceptions made by each commissioner during the calendar year and to date, for the calendar year, attendance is good.

Completion of Form 700 by all Commissioners before April 1, 2025: Dr. Ruth Fernández reminded Commissioners that the process for Form 700 submissions has begun, and the deadline is April 1, 2025.

6.0 CONSIDER accepting the report on statewide activities pertaining to children 0-5, including the activities of the First 5 Association of California, First 5 California, and other statewide advocacy groups.

First 5 CA Advocacy Day Registration and Activities: Dr. Ruth Fernández reported that First 5 CA Advocacy Day will take place on April 9 in Sacramento. A save-the-date will be sent to Commissioners. Advocacy Day entails a full day of meetings, starting with First 5 Network convening for context setting followed by meetings with legislative offices at the Capitol. The event will also include policy-focused panels and discussions. Association will provide a policy platform and talking points, each County Commission can determine key local issues to highlight with their legislative representatives.

First 5 IMPACT Legacy funding: Dr. Ruth Fernández previously reported general highlights about the status of the First 5 Association's \$25 Million Sustainability Fund proposal to First 5 California. The state First 5 Commission released a First 5 Resilience Fund Framework as a counterproposal to the Sustainability Fund Proposal. The Resilience Fund asks for \$18 million over three years. Within this framework, a stabilization category allocates \$15 million over three years to a Small Population County Funding Augmentation for 21 small rural counties, and a \$3 million allocation for emergencies, capacity building, and long-term sustainability efforts across the First 5 Network.

7.0 Review agenda items for upcoming Commission Meetings.

Deputy County Counsel Kurtis Keller is unavailable to attend and give his annual Conflict of

Interest Presentation, however he will provide a written memo for Commission approval on the Consent Calendar.

8.0 Communications

None.

9.0 Adjourn – Meeting adjourned at 6:30 p.m.



**Staff Report
March 10, 2025 (Commission Mtg.)**

ACTION: X
DISCUSSION:

TITLE: FY 2025/26 Proposed Budget, First 5 Contra Costa

Recommendation

Approve the FY 2025/26 Proposed Budget for First 5 Contra Costa.

Background

Per Article II(g) of the First 5 Contra Costa Commission Bylaws, the Commission is required to “approve an annual budget” as part of its Powers and Duties. The FY 2025/26 Proposed Budget fulfills that responsibility while maintaining alignment with First 5’s long-term fiscal strategies including:

- Leveraging Proposition 10, Proposition 56, and CECET (California Electronic Cigarette Excise Tax) 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
- Securing public and philanthropic grants to further enhance First 5 activities focused on supporting young children and their families

Fiscal Impact

The FY 2025/26 Proposed Budget maintains focus on continuity of the Strategic Plan’s Focus Areas with some programmatic changes—including only revenues and expenditures forecasted with a high degree of probable actualization. With total revenues of \$8.4 million and total expenditures of \$11.9 million, the budget requires a drawdown from fund balance of approximately \$3.5 million, approximately \$0.3 million more than last year’s budgeted amount.

History of California Cigarette and Tobacco Tax Revenues

In November 1998, California voters passed Proposition 10, the “Children and Families Act of 1998”. The act levies a tax on tobacco products to provide funding for early childhood development programs. In November 2016, voters passed Proposition 56, increasing the tax on cigarettes and other tobacco products for the purpose of expanding healthcare to those in need. In 2020, Governor Gavin Newsome signed a law banning the sale of flavored tobacco products in California. Although the law was challenged in court, the law was upheld in November 2022 when voters overwhelmingly approved Proposition 31, which specifically prohibited the sale of flavored tobacco products and flavor enhancers, with some exceptions. Lastly, on November 8,

2022, Senate Bill 395 was approved, enacting the Healthy Outcomes and Prevention Education (HOPE) Act, which imposed the California Electronic Cigarette Excise Tax (CECET).

Proposition 10

After the passage of Proposition 10 in November 1998, Governor Gavin Newsome authorized a new law in 2020 banning the sale of flavored tobacco products in California; the following year, this legislation would result in a one-year decline of 19.0% in Proposition 10 revenue for First 5 Contra Costa, and an average decrease of 9.4% over the following three years.

After the November 2022 passage of Proposition 31 (a ballot initiative affirming the ban of flavored tobacco products in California), Capitol Matrix Consulting prepared a report on behalf of the First 5 Association indicating a decline in state cigarette and tobacco tax revenues of up to 15%. The report further projected that the steep decline in Prop 10 revenue would eventually level off to approximately 3.6% annually by FY 2025/26 and FY 2026/27. While the decline in Prop 10 tax revenue has certainly slowed down, First 5 Contra Costa continues to experience annual decreases of Prop 10 revenue in the 6% to 7% range. *Based on actual receipts for the first half of the current fiscal year, the FY 2025/26 Proposed Budget represents a fiscally conservative approach, projecting Prop 10 revenue at \$4,290,525, a decrease of 9.7% over the FY 2024/25 Adopted Budget, and a 12.3% decrease from FY 2023/24 audited actuals, or approximately 6.1% annually.*

Proposition 56

FY 2020/21 was the first year of steep Proposition 10 revenue declines resulting from legislation prohibiting the sale of flavored tobacco products. The succeeding fiscal years continued this decline, but at a slower pace. This loss in revenue was offset and backfilled by Proposition 56 revenues.

Although revenue for the Prop 56 backfill experienced a 12% decline from FY 2021/22 to FY 2022/23, it took a surprising upturn in FY 2023/24 to \$1,925,267, increasing the average receipts over the last four years to \$1,936,800. *Due to this positive trend, the FY 2025/26 Proposed Budget includes projected Prop 56 revenue of \$1,925,267, the amount received in FY 2023/24, and slightly less than the four-year average.*

CECET

CECET, which went into effect on July 1, 2022, requires retailers of electronic cigarettes to collect a tax from the purchaser 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 tax. *First-year collections totaled \$95,867, while second year collections jumped to \$141,172. Third year collections are projected to drop back down to \$97,836, which is where they are conservatively budgeted for FY 2025/26 and going forward.*

Surplus Money Investment Fund (SMIF)

SMIF revenue derives from the interest accrued from statewide Prop 56 receipts while being held in interest-bearing accounts. Each county receives its share of SMIF interest earnings based on the Proposition 10/56 apportionment methodology calculated at fiscal year-end. Although the FY 2024/25 SMIF Budget totals \$25,000, *FY 2023/24 actuals total \$47,622; therefore, the FY 2025/26 Budget is proposed at \$40,000 in projected SMIF revenue.*

Federal Grants: \$0

Although First 5 Contra Costa was awarded a grant from the Federal Administration for Children and Families (ACF) during the prior fiscal year, no such grant funds are anticipated for FY 2025/26.

State Grants: \$672,308

The FY 2025/26 Proposed Budget includes multiple State grants from First 5 California and other California State Departments including the following:

- *First 5 California IMPACT Legacy Grant:* First 5 Contra Costa received a two-year IMPACT Grant in the amount of \$1.3 million in August 2023 to support children prenatal through age 5 and their families through building statewide quality improvement systems focused on early learning and care experiences. *The First 5 CA IMPACT Legacy grant for FY 2025/26 is budgeted at \$628,892, a reduction of 10.0% from the FY 2024/25 budget.*
- *Children and Youth Behavioral Health Initiative (CYBHI):* First 5 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 the Positive Parenting Program (Triple P). Not all programmatic activities were completed within the initial term of this grant, so a no-cost extension will permit a carryforward amount in FY 2025/26 of \$43,416.*

Subrecipient Awards: \$747,449

The FY 2025/26 Proposed Budget includes a focus on establishing partnerships with County agencies and other partner organizations 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 or other partner organizations are categorized as “Subrecipient Awards” to provide the following essential services:

- First 5 will continue to partner with the 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. *CSPP revenue is budgeted at \$ 251,119. These funds leverage First 5 IMPACT funding.*
- First 5 and the 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 proposed QCC/QRIS revenue is budgeted at \$205,870. These funds leverage First 5 IMPACT funding.*
- 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 proposed budget for FY 2025/26 includes revenue in the amount of \$10,000.*
- First 5 will partner with Contra Costa Behavioral Health (BH) to jointly sponsor Positive Parenting Program (Triple P) services through COPE to children ages 0–5 in Contra Costa County by blending Mental Health Services Act (MHSA) funding with Prop 10 funding. *The First 5 Proposed Budget includes MHSA funding for Triple P at \$92,023 for FY 2025/26.*

- First 5 is partnering with our county’s resource and referral agency CocoKids to evaluate a wage boost program for child care workers. The wage boost is funded through Measure X funds that were awarded to CocoKids, and the evaluation will span multiple fiscal years. *The proposed revenue for this effort is budgeted at \$124,747 for FY 2025/26.*
- First 5 is receiving time-limited federal funding administered by the State Office of Child Abuse Prevention that is awarded to the Contra Costa Employment & Human Services Department’s (EHSD) Children & Family Services Bureau. Through an agreement with EHSD, First 5 will receive funds to be used during the last three months of this fiscal year and the first three months of FY 2025/26. These funds will be used to augment the concrete supports and fatherhood engagement services offered at three First 5 Centers. *The proposed revenue for this effort is budgeted at \$63,690 for FY 2025/26.*

Philanthropic Grants: \$230,100

First 5 Contra Costa continues to identify funding opportunities with philanthropic organizations in furtherance of long-term fiscal sustainability strategies. The FY 2025/26 Proposed Budget includes a grant award from Sunlight Giving from FY 24/25 that will carryforward into FY 2025/26; hence, \$35,000 is showing as an expense in the budget but not as new revenue.

- Leshar Ready Kids East County - Womb to Classroom: The Ready Kids East County (RKEC) is a strategic partnership between First 5 Contra Costa and the Dean & Margaret Leshar Foundation. Launched in 2019, this partnership ushered in creative programming, resources, and services available to Black families in East County. In 2025, First 5 launched the next phase called “Womb to Classroom,” which seeks to support Black and African American families from pregnancy to school by connecting service providers to create “villages” that center Black families and build stronger bridges over adversity “cliffs” such as the transition from early learning to a school district for kindergarten. *Proposed funding for Phase II of the project totals \$230,100 in FY 2025/26.*

Other Revenue: \$428,294

- Interest Income: First 5’s fund balance started the 2024/25 fiscal year at \$17.9 million. This amount is managed by the Contra Costa County Treasurer-Tax Collector’s Office in reserve accounts as part of its pooled investment funds. Interest earnings in FY 2023/24 totaled \$752,990 against the fund balance of \$17.9 million, equaling an effective interest rate of 4.2%. If First 5 Contra Costa draws down its entire budgeted amount of \$3.2 million in fund balance to close out the 2024/25 fiscal year, the remaining balance would be \$14.7 million. A 3.0% return would generate over \$440,000 in interest earnings. *The FY 2025/26 Proposed Budget includes a projection of \$400,000.*
- Other Miscellaneous Income: *Totaling \$28,294, this income includes revenue received from the rental of First 5’s Pittsburg property (\$22,094), rental of the Administrative Building’s Conference Room (\$1,200), and other miscellaneous income (\$5,000).*

Highlights of Programmatic Focus Areas

The proposed expenditure budget of \$9,314,427 for FY 2025/26 for organizational and programmatic focus area 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 (\$658,888), Strengthening Families (\$3,718,396), and Early Intervention (\$778,992). Contracts to support First 5 Centers total \$3,671,326 and account for 39.4% of all Program expenses. The Policy Advocacy and Communications Strategy budget (\$246,299) includes activities connected to three of First 5 Contra Costa's core strategies: capacity building, research, and advocacy and community engagement. *Employee salaries and benefits to provide the services listed total \$3,307,234 and comprise 35.5% of the Program budget.*

Evaluation

The FY 2025/26 proposed Evaluation budget totals \$801,171 and accounts for 6.7% of First 5 Contra Costa's overall FY 2025/26 Proposed Budget. *Employee salaries and benefits total \$531,831 and comprise 66.4% of the Evaluation budget.*

Administrative Expenses

The FY 2025/26 Proposed Administrative Department expenses total \$1,837,158 which reflects a minor decrease of \$15,573 (0.8%) over the FY 2024/25 Adopted Budget. Certain expenses that support the First 5 organization as a whole are shared across the agency, including the cost of the First 5 administrative offices (e.g. rent, common area maintenance, building maintenance, etc.), insurances, Finance, HR and IT support, and County Counsel). The Administrative Department's share of these expenses include:

- \$1,180,293 for employee salaries and benefits, totaling 64.2% of the Administrative budget
- \$211,619 for Professional Services, including financial, audit and actuarial services, human resources expenses, County Counsel expenses, and other miscellaneous contracts. Also included here is a new line-item called "emerging projects;" totaling \$37,271; this account equals one-half of 1.0 percent (0.5%) of the previous fiscal year's Proposition 10 Focus Area budget) and will be used for recurring disasters, unexpected economic downturns and any urgent needs that emerge that may not be reflected in the Strategic Plan
- \$152,803 for Purchased Services & Supplies, including organization-wide equipment leases, software licenses, office supplies, temporary employee help, and costs associated with improvements in technology for more efficient work tools
- \$292,443 for all other expenses and overhead, including First 5 administrative office expenses described above, IT professional services from the County, insurance coverage, travel and training, dues and subscriptions, etc. Also included here is \$37,271 for the Executive Director's contingency funding; this account is calculated in the same way as the Emerging Projects line-item listed above

Wages and Benefits

The FY 2025/26 Proposed Budget for all First 5 wages and benefits totals \$5,019,357, which is an increase of \$144,534 or 3.0% from the FY 2024/25 Adopted Budget. These wages and benefits include:

- A cost-of-living allowance (COLA) increase of 3.0% effective July 1, 2025 for all regular employees listed on the Commission-approved Compensation and Benefits Resolution. This increase is based on the U.S. Bureau of Labor Statistics' Consumer Price Index (CPI)--San Francisco Bay Area for December 2024, which reflects an adjusted CPI of 2.4% over the last 12 months
- Step increases are included for all staff eligible to receive one during the 2025/26 fiscal year
- Labor expenses are "fully loaded" at actual usage levels, including the full cost of CCCERA retirement benefits, healthcare costs at the current 2025 healthcare rate plus an appropriate increase for 2026 rates, and all other insurances provided by First 5. At \$1.8 million, benefits comprise approximately 37% of the entire compensation package.
- The \$98,686 cost to fund retiree healthcare ("OPEB") is also included in the budget and allocated by FTE count to the Program budget, the Evaluation budget and the Administrative budget. This cost is an actuarial estimate and is calculated by First 5's actuary (Nyhart).

Consequence of Negative Action

Should the First 5 Contra Costa Commission elect not to approve the budget, it would result in an audit finding of non-compliance with the established Commission Bylaws – Article II, section (g) and would delay provision of First 5 services to Contra Costa County residents.

Attachments

- FY 2025/26 First 5 Contra Costa Proposed Revenue and Expenditure Budget Summary
- FY 2025/26 First 5 Contra Costa Proposed Revenue Budget Detail

FY 2025/26 PROPOSED BUDGET



REVENUE ¹	
State Tobacco Taxes ²	
Federal Grants	
State Grants ³	
Subrecipient Awards ³	
Philanthropic Grants ³	
Other Revenue ⁴	
TOTAL REVENUE	
Prop 10/56 Fund Balance Drawdown	
TOTAL REVENUE	
PROGRAMMATIC FOCUS AREAS EXPENSES	
Early Childhood Education	
Workforce Development	
Quality Early Learning	
Ready Kids East County School Readiness Initiative	
Total	
Strengthening Families	
First 5 Centers	
Home Visiting System Coordination	
Parent Advisory Group ⁵	
Total	
Early Intervention	
EI Support Services	
Capacity Building and Outreach ⁶	
Help Me Grow Services & Developmental Playgroups	
Trauma-Informed Systems	
Total	
Policy Advocacy & Communications Strategies	
Communications Strategy & Policy Advocacy	
Total	
Program Salaries/Benefits and Overhead Expenses	
Program Salaries & Wages	
Program Employee Benefits	
Program Expenses and Overhead ⁷	
Total	
TOTAL PROGRAM EXPENSES	
EVALUATION EXPENSES	
Evaluation Salaries & Wages	
Evaluation Employee Benefits	
Professional Services	
Purchased Services and Supplies	
Evaluation Expense and Overhead ⁷	
TOTAL EVALUATION EXPENSES	
ADMINISTRATIVE EXPENSES	
Administrative Salaries & Wages	
Administrative Employee Benefits	
Professional Services	
Purchased Services and Supplies	
Administrative Expense and Overhead ⁷	
TOTAL ADMINISTRATIVE EXPENSES	
GRAND TOTAL	

FY 2024/25 Approved Budget *			
F5 Contra Costa Funds	Other Funds	Total Revenue	% of Total
6,609,880	-	6,609,880	52.8%
-	56,600	56,600	0.5%
-	1,137,249	1,137,249	9.1%
-	1,226,031	1,226,031	9.8%
-	100,000	100,000	0.8%
200,000	-	200,000	1.6%
6,809,880	2,519,880	9,329,760	74.6%
-	-	3,182,611	25.4%
6,809,880	2,519,880	12,512,371	100.0%
F5 Contra Costa Funds	Other Funds	Total Expense	% of Total
-	56,600	56,600	0.5%
75,753	497,322	573,075	4.6%
165,565	-	165,565	1.3%
241,318	553,922	795,240	6.4%
3,451,710	-	3,451,710	27.6%
-	64,865	64,865	0.5%
-	-	-	0.0%
3,451,710	64,865	3,516,575	28.1%
109,784	286,784	396,567	3.2%
166,000	604,689	770,689	6.2%
437,695	-	437,695	3.5%
11,700	-	11,700	0.1%
725,179	891,473	1,616,651	12.9%
290,200	15,332	305,532	2.4%
290,200	15,332	305,532	2.4%
1,476,357	529,998	2,006,355	16.0%
858,735	337,782	1,196,517	9.6%
410,623	-	410,623	3.3%
2,745,715	867,780	3,613,495	28.9%
7,454,122	2,393,372	9,847,494	78.7%
F5 Contra Costa Funds	Other Funds	Total Expense	% of Total
316,535	16,840	333,375	2.7%
167,467	8,134	175,601	1.4%
208,250	2,500	210,750	1.7%
20,500	-	20,500	0.2%
71,920	-	71,920	0.6%
784,672	27,474	812,146	6.5%
F5 Contra Costa Funds	Other Funds	Total Expense	% of Total
749,315	-	749,315	6.0%
413,661	-	413,661	3.3%
267,000	-	267,000	2.1%
175,800	5,000	180,800	1.4%
241,955	-	241,955	1.9%
1,847,731	5,000	1,852,731	14.8%
10,086,525	2,425,846	12,512,371	100.0%

FY 2025/26 Proposed Budget			
F5 Contra Costa Funds	Other Funds	Total Revenue	% Change
6,353,628	-	6,353,628	-3.9%
-	-	-	-100.0%
-	672,308	672,308	-40.9%
-	747,449	747,449	-39.0%
-	230,100	230,100	130.1%
428,294	-	428,294	114.1%
6,781,922	1,649,857	8,431,779	-9.6%
-	-	3,520,977	10.6%
6,781,922	1,649,857	11,952,756	-4.5%
F5 Contra Costa Funds	Other Funds	Total Expense	% Change
-	134,747	134,747	138.1%
331,950	62,891	394,841	-31.1%
-	129,300	129,300	-21.9%
331,950	326,938	658,888	-17.1%
3,671,326	-	3,671,326	6.4%
31,970	-	31,970	-50.7%
15,100	-	15,100	0.0%
3,718,396	-	3,718,396	5.7%
612,454	141,043	753,497	90.0%
25,494	-	25,494	-96.7%
-	-	-	-100.0%
-	-	-	-100.0%
637,949	141,043	778,992	-51.8%
211,299	35,000	246,299	-19.4%
211,299	35,000	246,299	-19.4%
1,478,508	600,613	2,079,121	3.6%
868,740	359,373	1,228,113	2.6%
604,619	-	604,619	47.2%
2,951,866	959,986	3,911,852	8.3%
7,851,460	1,462,967	9,314,427	-5.4%
F5 Contra Costa Funds	Other Funds	Total Expense	% Change
350,394	-	350,394	5.1%
181,437	-	181,437	3.3%
134,000	-	134,000	-36.4%
20,870	-	20,870	1.8%
114,470	-	114,470	59.2%
801,171	-	801,171	-1.4%
F5 Contra Costa Funds	Other Funds	Total Expense	% Change
772,969	-	772,969	3.2%
407,323	-	407,323	-1.5%
211,619	-	211,619	-20.7%
152,803	-	152,803	-15.5%
292,443	-	292,443	20.9%
1,837,158	-	1,837,158	-0.8%
10,489,789	1,462,967	11,952,756	-4.5%

FY 2024/25	% of Total Expenses
Program Initiatives	78.7%
Evaluation	6.5%
Administration	14.8%
Total:	100.0%

FY 2025/26	% of Total Expenses	YOY Percent Change
Program Initiatives	77.9%	-5.4%
Evaluation	6.7%	-1.4%
Administration	15.4%	-0.8%
Total:	100.0%	-4.5%

NOTES:

- * FY 24/25 Adopted Budget included for context, prior year revenue/expenditure.
- 1. Revenue sources are detailed in "FY 25/26 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.
- 3. Includes indirect revenue from grants totaling \$150,058: State Grants (\$82,029), Subrecipient Awards (\$44,953), and Philanthropic Grants (\$23,076).
- 4. Includes interest earnings proportional to First 5's share of County pooled investments (fluctuations based on investment returns).
- 5. Budget previously included under First 5 Centers.
- 6. Budget previously included under Help Me Grow Services & Developmental Playgroups and Trauma-Informed Systems.
- 7. Includes departmental expenses plus allocated costs (e.g. rent, CAM, insurance, and maintenance Admin Bldg; Finance, HR and IT support; County Counsel, etc.).

FY 25/26 Revenue Summary x Source



FY 2025/26 Proposed Budget

	F5 Contra Costa Funds	Other Funds	Total Revenue	Totals
REVENUE				
1 State Tobacco Tax				6,353,628
2 Sales Tax Apportionment - Proposition 10	4,290,525	-	4,290,525	-
3 Proposition 56 (Flavor Ban Backfill)	1,925,267	-	1,925,267	-
4 CECET (CA Electronic Cigarette Excise Tax)	97,836	-	97,836	-
5 SMIF (CA Surplus Money Investment Fund)	40,000	-	40,000	-
6 Federal Grants			-	-
7 Early Childhood Workforce Compensation Project (ACF)	-	-	-	-
8 State Grants			-	672,308
9 First 5 California IMPACT Legacy Grant (QRIS)	-	628,892	628,892	-
10 Children & Youth Behavioral Health Initiative (CYBHI)--Triple P	-	43,416	43,416	-
11 Subrecipient Awards			-	747,449
12 CA State Preschool Quality Block Grant (CSPP)	-	251,119	251,119	-
13 Quality Counts California (QCC)	-	205,870	205,870	-
14 Workforce Pathways (CCCOE)	-	10,000	10,000	-
15 MHSA-Behavioral Health Agreement (Triple P)	-	92,023	92,023	-
16 CocoKids - Child Care Boost Initiative	-	124,747	124,747	-
17 EHSD - Children and Family Services Bureau	-	63,690	63,690	-
18 Philanthropic Grants			-	230,100
19 Leshar Ready Kids East County - Womb to Classroom	-	230,100	230,100	-
20 Other Revenue			-	428,294
21 Interest Income	400,000	-	400,000	-
22 Other Misc. Income ¹	28,294	-	28,294	-
TOTAL FY 25/26 REVENUE	6,781,922	1,649,857	8,431,779	8,431,779

¹ Combination of Rental Income (Pittsburg site), Conference Room rental, and other misc. income



FOR IMMEDIATE RELEASE

Contact: Courtney Armstrong

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First 5 Association of California Calls on Congress to Reject Alarming Health Care Cuts That Will Hurt Young Children and Families

SACRAMENTO, CA (February 27, 2025)—The First 5 Association of California—which represents First 5 Commissions across the state’s 58 counties—issued the following statement regarding the House Republican budget plan that could eliminate vital health care benefits for an estimated five million California children.

First 5 Association – Attributed to Avo Makdessian, Executive Director, First 5 Association of California:

“About half of all young Californians (ages 0-5) receive their health care through Medi-Cal, making it a lifeline for children and families—especially those in low-income communities and underserved communities who already face barriers to accessing quality care. At a time when California children are already facing unprecedented health care needs due to economic challenges, the lasting effects of the COVID-19 pandemic, and longstanding disparities, cutting Medicaid funding would spike long-term costs by eliminating early interventions that prevent more serious health issues down the road. California’s 58 First 5 Commissions work within Medi-Cal and other health programs to facilitate families’ access to preventive care, screenings, and support—all services threatened by this budget proposal. We call on Congress and the Trump Administration to reject this proposal and protect Medicaid funding. Investing in young children—especially in preventive care—strengthens families, improves health outcomes, and reduces long-term costs.”

Background Information

Here are some initial estimates of California children ages 0-5 who could lose health care under the GOP budget plan:

County	# of Children 0-5 in Medi-Cal	Est. # of Children 0-5	% of Children 0-5 on Medi-Cal
Fresno	62,519	83,038	75%
Kern	58,690	74,849	78%
Kings	8,433	12,818	66%
Orange	82,699	188,974	44%
Riverside	104,989	164,342	64%
San Bernadino	105,116	160,499	65%
Tulare	33,067	40,408	82%

About First 5 Association of California

The First 5 Association of California represents the state's 58 county First 5 Commissions. Together, First 5 supports over one million children and families each year, advancing policies and investments that ensure young children are healthy, safe, and ready to learn. The Association works to advance state and federal public policies and funding that support California's young children and families. Our policy work is informed by local communities and local First 5 Commissions and is grounded in a whole child / whole family lens. We do this while centering the fact that low-income communities, communities of color, and historically marginalized Californians face disproportionate impacts due to systemic racism, wealth inequality, and environmental hazards.

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2025 POLICY PRIORITIES

First 5 Association works to advance state and federal public policies and funding that support California's young children and families. Our policy work is informed by local communities and local First 5 Commissions and is grounded in a whole child / whole family lens. We do this while centering the fact that low-income communities, communities of color, and historically marginalized Californians face disproportionate impacts due to systemic racism, wealth inequality, and environmental hazards.

Our goal is to have public policies and investments in place that center equity, prevention, systems building, and coordination to build comprehensive and integrated early childhood systems of care.

Policy Priorities



THRIVING FIRST 5 COMMISSIONS AND SYSTEM OF CARE

- Protect and leverage health, family, and child development investments with a shared goal of removing barriers to accessing systems of care
- Ensure First 5s are identified and prioritized as fund administrators, intermediaries, and systems partners in the securing and safeguarding of dedicated funding for early childhood systems.
- Secure stabilization and ongoing funding sources for First 5 Commissions, prioritizing counties that need financial support most, to ensure continued positive child outcomes.



COMPREHENSIVE CARE AND DEVELOPMENT

- Improve prevention, care coordination, screenings, navigation, and re-certification supports for Medi-Cal and other systems of care.
- Advocate for increased access to and timeliness of early intervention and infant and early childhood mental health (IECMH) services, including assessments and validated developmental screening tools.
- Seek to improve outcomes in maternal and infant health in communities of color impacted by disparate outcomes* by dismantling racist practices and developing culturally safe systems in partnership with health providers and systems of care.



ECONOMICALLY SECURE FAMILIES

- Increase access to culturally responsive and trauma-informed family support services that promote resiliency and build parents' capacity to support their children's optimal development.
- Increase access to economic supports that empower families to meet the basic needs of children.



EARLY CARE AND EDUCATION

- Prioritize and scale early care and education mixed-delivery opportunities, with a focus on infant and toddler care.
- Support quality training and professional growth pathways for early educators and childcare providers, with a focus on infant and toddler care.
- Promote recruitment and retention of the early educator and childcare workforce by uniting with statewide partners to advocate for increased benefits and true cost of care wages.

*Black, Native Hawaiian and Pacific Islander, American Indian and Alaska Native, Indigenous, and multiracial