



**SPECIAL Commission Meeting
A G E N D A**

Monday, October 27, 2025, 6:00 pm
First 5 Contra Costa, Conference Center
4005 Port Chicago Hwy., Suite 120, Concord CA 94520

The Commission meeting will be accessible in-person and via virtual webinar to all members of the public. Persons who wish to address the Commission 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 Commission 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 Webinar Information:
Please click the link below to join the webinar:
<https://us02web.zoom.us/j/89192239770>
Webinar ID: 891 9223 9770

1.0 Call to Order and Roll Call

2.0 Public Comment

The public may comment on 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.

3.0 Approve the Minutes of the Commission Meeting on:

3.1 Commission Meeting on June 9, 2025

4.0 Approval of Consent Calendar

Action

A Commissioner or member of the public may ask that any of the following consent items be removed from the consent calendar for consideration under Item 4.

4.1 Approve the Contracts Docket.

4.1.1 APPROVE and AUTHORIZE the Executive Director, or her designee, to execute a Memorandum of Understanding (MOU) with the Employment & Human Services Department – Children & Family Services, Health Services – Behavioral Health Services, Probation Department, Regional Center of the East Bay, Contra Costa County Office of Education, and First 5 Contra Costa Children & Families Commission, to support the collaborative design, delivery, and management of services to children, youth, and families in Contra Costa County in accordance with Assembly Bill 2083 (Chapter 815, Statutes of 2018). The MOU seeks to ensure that system partners work together to implement a prevention-focused, holistic, and culturally-responsive service delivery system that utilizes evidence-based, trauma-informed care to achieve positive outcomes for Contra Costa County children and families for the term November 1, 2025 to August 30, 2027. No financial exchange.

4.1.2 APPROVE and AUTHORIZE the Executive Director, or her designee, to execute a contract amendment with Early Childhood Mental Health Program to increase the payment limit by \$187,500 (from \$62,500 to \$250,000) for early childhood

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mental health consultation services focused on improving the capacities of early childhood education providers to address the social and emotional needs of children ages 0–5, and to extend the term from December 31, 2025 to June 30, 2026, **contingent upon award and appropriation of Measure X funds**. FY 2025–26 budget line: Early Intervention Focus Area – EI Support Services (\$778,992). (Project 10211 / Source 981).

- 4.1.3 APPROVE and AUTHORIZE the Executive Director, or her designee, to execute a contract amendment with Counseling Options & Parent Education Support Center, Inc. to increase the payment limit by \$97,628 (from \$97,628 to \$195,256) to support the work of the Triple Parenting program. FY2025-26 budget line: Early Intervention Focus Area: EI Support Services (\$753,497) (Project 30310 / Source 946). Funded 100% Contra Costa County Health Services - Behavioral Health Services Division/Mental Health.
- 4.1.4 APPROVE and AUTHORIZE the Executive Director, or her designee, to execute a contract with CocoKids, Inc. in an amount not to exceed \$80,000 to provide professional development, technical assistance, and supply kit expansion for Family, Friend, and Neighbor providers, for the term on October 15, 2025 - June 30, 2026, **contingent upon the award and appropriation of anticipated Santa Clara County Office of Education funding**. FY 2025–26 budget line: Early Childhood Education Focus Area – Workforce Development (\$134,747). (Project 10169 / [insert]). Subject to receipt of funding.
- 4.1.5 APPROVE and AUTHORIZE the Executive Director, or her designee, to execute a contract with Contra Costa Community College District in an amount not to exceed \$61,000 to implement projects supporting the early childhood workforce, for the term October 15, 2025 - June 30, 2026 **contingent upon the award and appropriation of anticipated Santa Clara County Office of Education funding**. FY 2025–26 budget line: Early Childhood Education Focus Area – Workforce Development (\$134,747). (Project 10169 / Source [insert]). Subject to receipt of funding.
- 4.1.6 APPROVE and AUTHORIZE the Executive Director, or her designee, to execute a purchase order with EarlyChildhood, LLC (dba Discount School Supply), an online educational catalog and retailer, to provide specialized educational items for ECE providers participating in Measure X Inclusion practices, in an amount not to exceed \$60,000, for the term November 1, 2025 to June 30, 2026, **contingent upon the award and appropriation of anticipated Measure X funding**. FY 2025–26 budget line: Early Childhood Education Focus Area – Quality Early Learning (\$394,841). (Project 10211 / Source 981).
- 4.1.7 APPROVE and AUTHORIZE the Executive Director, or her designee, to execute a contract amendment with Lincoln, operator of the East County First 5 Center located at 355 E. Leland Road, Pittsburg, to include goals related to car seat education and distribution, and revisions to the reporting due dates, with no change to the payment limit or term. **Contingent upon receipt of funding**. FY 2025–26 budget line: Strengthening Families: First 5 Centers (\$3,671,326). Funded by Proposition 10 and Office of Traffic Safety (OTS) funds; OTS funds



will be used to offset allowable car seat education and distribution expenses within the existing First 5 Center contracts.

- 4.1.8 APPROVE and AUTHORIZE the Executive Director, or her designee, to execute a contract amendment with Aspiranet, operator of the Delta First 5 Center located at 760 First Street, Brentwood, to include goals related to car seat education and distribution, and revisions to the reporting due dates, with no change to the payment limit or term. **Contingent upon receipt of funding.** June 30, 2026. FY 2025–26 budget line: Strengthening Families – First 5 Centers (\$3,671,326). Funded by Proposition 10 and Office of Traffic Safety (OTS) funds; OTS funds will be used to offset allowable car seat education and distribution expenses within the existing First 5 Center contracts.
- 4.1.9 APPROVE and AUTHORIZE the Executive Director, or her designee, to execute a contract amendment with Aspiranet, operator of the Antioch First 5 Center located at 300 H Street, Antioch, to include goals related to car seat education and distribution, and revisions to the reporting due dates, with no change to the payment limit or term. **Contingent upon receipt of funding.** FY 2025–26 budget line: Strengthening Families – First 5 Centers (\$3,671,326). Funded by Proposition 10 and Office of Traffic Safety (OTS) funds; OTS funds will be used to offset allowable car seat education and distribution expenses within the existing First 5 Center contracts.
- 4.1.10 APPROVE and AUTHORIZE the Executive Director, or her designee, to execute a contract amendment with Bay Area Community Resources, operator of the West County First 5 Center located at 2707 Dover Ave, San Pablo, to include goals related to car seat education and distribution, and revisions to the reporting due dates, with no change to the payment limit or term. **Contingent upon receipt of funding.** FY 2025–26 budget line: Strengthening Families – First 5 Centers (\$3,671,326). Funded by Proposition 10 and Office of Traffic Safety (OTS) funds; OTS funds will be used to offset allowable car seat education and distribution expenses within the existing First 5 Center contracts.
- 4.1.11 APPROVE and AUTHORIZE the Executive Director, or her designee, to execute a contract amendment with Bay Area Community Resources, operator of the Monument First 5 Center located at 1736 Clayton Road, Concord, to include goals related to car seat education and distribution, and revisions to the reporting due dates, with no change to the payment limit or term. **Contingent upon receipt of funding.** FY 2025–26 budget line: Strengthening Families – First 5 Centers (\$3,671,326). Funded by Proposition 10 and Office of Traffic Safety (OTS) funds; OTS funds will be used to offset allowable car seat education and distribution expenses within the existing First 5 Center contracts.
- 4.1.12 APPROVE and AUTHORIZE the Executive Director, or her designee, to execute a contract amendment with Peter Medina to increase the payment limit by \$40,000 (from \$49,999 to \$89,999) for accounting services, and to extend the term from December 31, 2025 to June 30, 2026. FY 2025–26 budget line: Administrative Expenses: Professional Services (\$134,000) (Project 80000 / Source 900) . Funded 100% Prop 10 funds.

4.2 Approve the Grants Docket.

- 4.2.1 APPROVE and AUTHORIZE the Executive Director, or her designee, to **apply for, and if awarded**, execute a grant agreement with Contra Costa Family Justice Alliance in an amount not to exceed \$5,000 to support trauma-informed services for children ages 0–10 for the term October 1, 2025 to September 30, 2028. FY2025-26 budget line: Program Salaries/Benefits and Overhead Expense: Program Salaries & Wages (\$2,079,121).
- 4.2.2 APPROVE and AUTHORIZE the Executive Director, or her designee, to execute a grant agreement with the Contra Costa County Health Services Division, to receive an amount not to exceed \$97,628, to support the work of the Triple P Parenting program for the term July 1, 2025 to June 30, 2026. FY2025-26 budget line: Early Intervention Focus Area: EI Support Services (\$753,497). (Project 30310 / Source 946). Funded 100% Contra Costa County Health Services - Behavioral Health Services Division/Mental Health.
- 4.2.3 RATIFY and AUTHORIZE the Executive Director, or her designee, to execute a Memorandum of Understanding with We Care Services for Children (fiscal sponsor) to receive a \$5,000 grant to provide outreach to families with children ages 0-5 for the Everyday Moments/Los Momentos Cotidianos program for the term July 1, 2024 to June 30, 2025. FY 2024-25 budget line: FY2024-25 budget line: Communications Strategy & Policy Advocacy (\$305,532). (Project 40601 / Source 948). Funded 100% We Care Services for Children.
- 4.2.4 APPROVE and AUTHORIZE the Executive Director, or her designee, to execute a Memorandum of Understanding with We Care Services for Children (fiscal sponsor) to receive a \$5,000 grant to provide outreach to families with children ages 0-5 for the Everyday Moments/Los Momentos Cotidianos program for the term July 1, 2025 to June 30, 2026. FY 2025-26 budget line: Communications Strategy & Policy Advocacy (\$246,299). (Project 40601 / Source 948). Funded 100% We Care Services for Children.
- 4.2.5 APPROVE and AUTHORIZE the Executive Director, or her designee, to execute a contract amendment with First 5 San Benito to increase the payment limit by \$54,042.95 (from \$589,969.04 to \$644,011.99) to support Impact Legacy and include additional HUB Implementation funding. FY 2025–26 budget line: Early Childhood Education Focus Area – Quality Early Learning (\$394,841). (Project 10227 / Source 974). Funded 100% First 5 San Benito.
- 4.2.6 APPROVE and AUTHORIZE the Executive Director, or her designee, to enter into a no-cost agreement with Start Early Consulting for an in-kind grant to provide up to 100 hours of consulting services for System Mapping, for the term October 15, 2025 – February 28, 2026. Funded 100% Start Early Consulting.
- 4.2.7 APPROVE and AUTHORIZE the Executive Director, or her designee, to accept a donation of approximately 6,000 children’s books from Contra Costa County Library, with an estimated total value of \$13,000, for inclusion in New Parent Kits provided to families throughout the county for the term September 29, 2025 to June 30, 2026. FY 2025–26 budget line: Communications – Strategy & Policy Advocacy (\$246,299). (Project 40601 / Source XXX). Funded 100% by Contra Costa County Library.
- 4.2.8 APPROVE and AUTHORIZE the Executive Director, or her designee, to execute a Memorandum of Understanding with the Santa Clara County Office of Education, in an amount not to exceed \$262,000, aimed at improving job

quality, climate resilience, and the availability of affordable early childhood education services, for the term October 1, 2025 to October 1, 2026. FY 2025–26 budget line: Early Childhood Education Focus Area – Workforce Development (\$134,747). (Project 10169 / Source [insert]). **Contingent upon receipt of funding.**

- 4.2.9 RATIFY and AUTHORIZE the Executive Director, or her designee, to enter into an agreement with the California Family Resource Association to provide a two-day virtual National Family Support Network (NFSN) Standards of Quality for Family Strengthening and Support training for all First 5 Center staff, for the term June 23, 2025 to June 24, 2025. FY 2024–25 budget line: Strengthening Families – First 5 Centers (\$3,451,710). Funded 100% by the California Family Resource Association (no financial exchange).
- 4.2.10 APPROVE and AUTHORIZE the Executive Director, or her designee, to execute a grant agreement with the Contra Costa Transportation Authority to receive \$3,000 to provide outreach and engagement support to increase community awareness of CCTA and the Countywide Transportation Plan Survey, for the term September 9, 2025 to September 30, 2025. FY 2025–26 budget line: Communications – Strategy & Policy Advocacy (\$246,299). (Project 40690 / Source 985). Funded 100% by the Contra Costa Transportation Authority.
- 4.2.11 APPROVE and AUTHORIZE the Executive Director, or her designee, to enter into a no-cost agreement with Department of Health Care Services for an in-kind grant to provide technical assistance and consultation services to assess its existing strengths and gaps in technological and programmatic infrastructure to become a Medi-Cal billing entity, for the term December 1, 2025 – June 30, 2026. FY 2025–26 budget line: Early Intervention: (\$778,992). (Project 30301 / Source). Funded 100% Department of Health Care Services.
- 4.2.12 APPROVE and AUTHORIZE the Executive Director, or her designee, to apply for, and if awarded, execute a grant agreement with Contra Costa Together sponsored by Contra Costa Regional Health Foundation in an amount not to exceed \$33,528.25 to implement universal developmental screening using the Ages and Stages Questionnaires (ASQ-3 and ASQ: SE-2) for incoming Transitional Kindergarten students in East County public schools, for the term November 3, 2025 to October 31, 2026, FY 2025–26 budget line: Early Childhood Education Focus Area – Ready Kids: East County School Readiness Initiative (\$129,300) (Project 1064/Source). Funded by Prop 10 and % Leshner Foundation funding.

4.3 **Accept 4th Quarter Financials & End of Year Financial Report FY 2024/25.**

4.4 **Accept the Minutes from the Executive Committee Meeting on May 27, 2025.**

4.5 **Accept the Minutes from the Executive Committee Meeting on September 29, 2025.**

4.6 **Accept the updated First 5 Contra Costa Employee Compensation and Benefits Resolution No. 2025-01.**

4.7 **Accept the Executive Director's October Report.**

5.0 **CONSIDER for discussion any items removed from the Consent Calendar.**

Action

6.0 **CONSIDER accepting the Fiscal Year 2024-25 Financial Audit.**

Action

(a) Public Hearing on the First 5 Contra Costa's Annual Financial Audit for FY 2024-25



- Presentation by James W. Ramsey, Partner from Eide Bailly

(b) Adopt the Annual Financial Audit for FY 2024-25

7.0 CONSIDER accepting the Annual Report to First 5 California for Fiscal Year 2024-25. Action

(a) Public Hearing on the First 5 Contra Costa's Annual Report for FY 2024-25

- Presentation by Sarah Burke, First 5 Data & Policy Analyst

(b) Adopt the Annual Report to First 5 California for FY 2024-25

8.0 CONSIDER accepting the 2026 health and dental employer-paid premium contribution rates for active employees; and accept the 2026 premium contribution rates for intermittent employees, COBRA participants, retirees, and survivors at the same levels as the County. Action

9.0 CONSIDER approving early termination of lease with Sierra Pacific Properties, Inc. for First 5 office located at 4005 Port Chicago Highway; and authorize the Executive Director or her designee to identify and secure new office space for First 5 Contra Costa's administrative offices. Action

10.0 CONSIDER adoption of the First 5 Contra Costa 5-Year Sustainability Plan. Action

Presentation by Executive Director, Ruth Fernández and Catherine Senderling-McDonald, Catbird Strategies, Consultant

11.0 RECEIVE the appointed Ad Hoc Nominating Committee members for 2026 Officers' Election. Discussion

As chosen by the Executive Committee: Vidya Iyengar (Chair), Roslyn Gentry, Dr. Sefanit Mekuria

12.0 Executive Director's Report

13.0 Commissioner F.Y.I. Updates

14.0 Communications

15.0 Adjourn

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, Suite 120, Concord, CA 94520 during normal business hours.

In consideration of those who may suffer from chemical sensitivities or who 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.



Commission Meeting

MINUTES

Monday, June 9, 2025 6:00 pm

Location: First 5 Contra Costa, Conference Center
4005 Port Chicago Hwy., Suite 120, Concord CA 94520

1.0 Call to Order and Roll Call

Chair John Jones called the meeting to order at 6:06 PM.

He began the meeting by observing a moment of silence in honor of former Supervisor and Commissioner Federal Glover.

Commissioners present during roll call were:

District 1: Dr. Rocio Hernández
District 1: Alternate Susanna Marshland (Remote – Just Cause – Parent Caregiving)
District 3: Mary Helen Rocha
District 3: Alternate Bella Merrill
District 4: Alex Khalfin
District 5: John Jones, Chair
District 5: Alternate LaTrena Robinson
Board of Supervisors: Supervisor Shanelle Scales-Preston
Health Department: Alternate Dr. Sefanit Mekuria
EHSD: Dr. Marla Stuart
EHSD: Alternate Scott Thompson
Children & Families Services: Roslyn Gentry
Children & Families Services: Alternate Ana Kaye

Commissioners not present during roll call were:

District 2: Marilyn Cachola Lucey
District 2: Alternate Vidya Iyengar
District 4: Alternate Gareth Ashley
Board of Supervisors: Alternate Supervisor Candace Andersen
Health Department: Dr. Ori Tzvieli

2.0 Public Comment

No public comment.

3.0 Approve the Minutes from the March 10, 2025 Commission Meeting.

The Chair asked if there were any questions regarding item 3.0.

The Chair asked for a motion to approve the minutes from March. Commissioner Marla Stuart made a motion to approve the minutes, seconded by Commissioner Alex Khalfin.

Roll call of vote:

YES: District 3: Mary Helen Rocha
District 4: Alex Khalfin



District 5: John Jones
Board of Supervisors: Supervisor Shanelle Scales-Preston
Health Department: Alternate Dr. Sefanit Mekuria
EHSD: Dr. Marla Stuart
Children & Families Services: Roslyn Gentry

NOs: None

ABSTAIN: District 1: Dr. Rocío Hernandez

Absent: District 2: Marilyn Cachola Lucey

The motion was **APPROVED**.

4.0 Approval of Consent Calendar. *A Commissioner or member of the public may ask that any of the following consent items be removed from the consent calendar for consideration under item 5.0.*

Executive Director Ruth Fernández requested to remove items 4.1.17, 4.1.19, 4.1.20, 4.2.1 and 4.2.2 from consent to be voted under item 5.0 after Commissioners from District V, EHSD, and the Board of Supervisors read recusal statements due to a conflict of interest. The Chair asked if there were any questions regarding all of the other items. There were no questions.

The Chair then called for a motion to approve the Consent Calendar with the exception of items 4.1.17, 4.1.19, 4.1.20, 4.2.1 and 4.2.2.

Commissioner Dr. Rocío Hernandez made a motion to approve the Consent Calendar, seconded by Commissioner Roslyn Gentry.

Roll call of vote:

YES: District 1: Dr. Rocío Hernandez
District 3: Mary Helen Rocha
District 4: Alex Khalfin
District 5: John Jones
Board of Supervisors: Supervisor Shanelle Scales-Preston
Health Department: Alternate Dr. Sefanit Mekuria
EHSD: Dr. Marla Stuart
Children & Families Services: Roslyn Gentry

NOs: None

ABSTAIN: None

Absent: District 2: Marilyn Cachola Lucey

The motion was **APPROVED**.

Before moving to item 5.0, Commissioners Scales-Preston, Thompson, Stuart, and Chair Jones read their recusal statements, and all but Commissioner Scales-Preston were required to leave the room



as her recusal statement noted “not employed by the County Department that is directly involved in the contract with First 5 Contra Costa Children and Families Commission” and that she is “not legally prohibited from voting on this item.”

Prior to leaving, Chair Jones turned the meeting over to Commissioner Mary Rocha, Secretary of the Executive Committee.

5.0 CONSIDER for discussion any items removed from the Consent Calendar.

Secretary Rocha then called for a motion to approve item 4.1.17.

Commissioner Alex Khalfin made a motion to approve the item, seconded by Commissioner Dr. Rocío Hernandez.

Roll call of vote:

YES: District 1: Dr. Rocío Hernandez
District 3: Mary Helen Rocha
District 4: Alex Khalfin
District 5: Alternate LaTrena Robinson
Board of Supervisors: Supervisor Shanelle Scales-Preston
Health Department: Alternate Dr. Sefanit Mekuria
Children & Families Services: Roslyn Gentry

NOs: None

ABSTAIN: None

Absent: District 2: Marilyn Cachola Lucey

The motion was **APPROVED**.

Secretary Rocha then called for a motion to approve item 4.1.19.

Commissioner Alex Khalfin made a motion to approve the item, seconded by Commissioner Dr. Sefanit Mekuria.

Roll call of vote:

YES: District 1: Dr. Rocío Hernandez
District 3: Mary Helen Rocha
District 4: Alex Khalfin
District 5: Alternate LaTrena Robinson
Board of Supervisors: Supervisor Shanelle Scales-Preston
Health Department: Alternate Dr. Sefanit Mekuria
Children & Families Services: Roslyn Gentry

NOs: None

ABSTAIN: None



Absent: District 2: Marilyn Cachola Lucey

The motion was APPROVED.

Secretary Rocha then called for a motion to approve item 4.1.20.

Commissioner Roslyn Gentry made a motion to approve the item, seconded by Commissioner Alex Khalfin.

Roll call of vote:

YES: District 1: Dr. Rocío Hernandez
District 3: Mary Helen Rocha
District 4: Alex Khalfin
District 5: Alternate LaTrena Robinson
Board of Supervisors: Supervisor Shanelle Scales-Preston
Health Department: Alternate Dr. Sefanit Mekuria
Children & Families Services: Roslyn Gentry

NOS: None

ABSTAIN: None

Absent: District 2: Marilyn Cachola Lucey

The motion was APPROVED.

Secretary Rocha then called for a motion to approve item 4.2.1.

Commissioner Alex Khalfin made a motion to approve the item, seconded by Commissioner Dr. Sefanit Mekuria.

Roll call of vote:

YES: District 1: Dr. Rocío Hernandez
District 3: Mary Helen Rocha
District 4: Alex Khalfin
District 5: Alternate LaTrena Robinson
Board of Supervisors: Supervisor Shanelle Scales-Preston
Health Department: Alternate Dr. Sefanit Mekuria
Children & Families Services: Roslyn Gentry

NOS: None

ABSTAIN: None

Absent: District 2: Marilyn Cachola Lucey



The motion was **APPROVED**.

Secretary Rocha then called for a motion to approve item 4.2.2.

Commissioner Alex Khalfin made a motion to approve the item, seconded by Commissioner Roslyn Gentry.

Roll call of vote:

YES: District 1: Dr. Rocío Hernandez
District 3: Mary Helen Rocha
District 4: Alex Khalfin
District 5: Alternate LaTrena Robinson
Board of Supervisors: Supervisor Shanelle Scales-Preston
Health Department: Alternate Dr. Sefanit Mekuria
Children & Families Services: Roslyn Gentry

NOS: None

ABSTAIN: None

Absent: District 2: Marilyn Cachola Lucey

The motion was **APPROVED**.

All Commissioners returned to the room.

6.0 RECEIVE Presentations from the First 5 Centers' Community Advisory Councils (CAC) recommendations resulting from their Annual Community Assessment.

First 5 Contra Costa staff and representatives from each First 5 Center presented updates from their Community Advisory Councils (CACs), which are parent-led groups central to strengthening families in their local communities. Program Coordinator Emily Hampshire, provided an overview of how the CACs operate and serve as structured community representation for each center, helping ensure services reflect local family needs. Council members, parents and caregivers engaged in center programs, lead community assessments and help shape center activities through their feedback and recommendations.

Grounded in the five protective factors framework—parental resilience, social connections, parenting knowledge, support in times of need, and children's social-emotional competence—each CAC gathers data and community input to inform service planning and identify local priorities. Presentations followed from CACs representing the Antioch, Delta/Monument, East County, and West County centers, showcasing their annual work and community insights. The presentations also included examples of how prior-year CAC recommendations, such as increasing parental resilience programs, were successfully implemented.

The chair opened the floor for public comment. Parents inquired about which commissioners represented their respective areas and invited them to upcoming events.

7.0 RECOGNIZE Marianne Dumas for her retirement after 20 years of service at First 5 Contra Costa.

Executive Director Dr. Ruth Fernández recognized Marianne Dumas for her 20 years of dedicated service upon her recent retirement. Though she could not attend, the Commission expressed deep appreciation for her instrumental contributions, especially during times of transition, and wished her the very best as she enjoys time with her grandchildren.

The Chair opened the item for public comment. There were none.

8.0 RECEIVE updates on the development of First 5 Contra Costa’s Long-Term Sustainability Plan

- Presented by Catherine Senderling-McDonald from Catbird Strategies, LLC and Dr. Ruth Fernández, Executive Director

Dr. Ruth Fernández and Catherine Senderling-McDonald provided an update on the development of First 5 Contra Costa’s long-term sustainability plan. This effort, aligned with the organization’s strategic plan, is focused on ensuring the long-term viability of First 5 as an entity—not just its grantees. The planning process is structured around four key pillars: fiscal health, operational capacity, programmatic focus, and community and policy partnerships. A major theme is the need to diversify revenue sources in light of declining Proposition 10 funds, with an emphasis on identifying external funding opportunities. The team has been using a data-informed and collaborative approach that includes scenario planning, financial projections, and extensive stakeholder engagement through working groups and key informant interviews. To date, the working group—comprised of commissioners and staff leadership—has held several meetings exploring core services, sustainability scenarios, and long-term goals. A draft plan will be completed in July, with the goal of final commission feedback and approval in August.

The Chair opened the item for public comment. There were none.

9.0 Executive Director’s Report

Dr. Ruth Fernández shared that several internal updates, beginning with highlights from a two-year grant focused on youth behavioral health and racial equity (CYBHI). As part of the grant requirements, her team completed an internal survey and selected two organizational policy areas—workplace culture and hiring/recruitment—for deeper review. In support of this effort, staff will participate in a session with Dr. Jeremiah Sims of Rooted in Love on June 24 to lay the foundation for further action. Ruth also shared her involvement on the Steering Committee of the Contra Costa Accountable Communities for Health (ACH) initiative, which is co-led by Contra Costa Health Services and the Contra Costa Regional Health Foundation, with support from the Office of Racial Equity and Social Justice (ORESJ), represented by Kendra Carr and Peter Kim.

Ruth reported on the successful “Contra Costa Together” Summit, which gathered cross-sector leaders to discuss health equity and introduced the nationally recognized Vital Conditions framework. This tool addresses essential human needs—environmental, mental, emotional, and physical—and serves as a foundation for ongoing ACH conversations. Additionally, she discussed the State Commission’s \$3 million Resilience Initiative, which is gathering statewide input via town halls on three priority areas: emergency funding, capacity building, and long-term sustainability for First 5 commissions. She emphasized that local commissions vary in their resources and ability to address these areas, making state-level guidance and funding critical.

Ruth also highlighted her participation in the “Choose Children 2026” Planning Council—a



collaborative statewide effort co-led by the First 5 Association and steering committee partners from The Children's Partnership, Silicon Valley Community Foundation, and the LA Partnership for Early Childhood Investment to engage and educate California's gubernatorial candidates on the importance of early childhood policy and investments. Through her participation in the Choose Children 2026 Planning Council she is contributing to the development of a 2026 policy platform .The report concluded with Commissioner Marla Stuart expressing appreciation for First 5's advocacy efforts to preserve Head Start funding in current budget negotiations, acknowledging that the latest proposal does not include its elimination.

The Chair opened the floor for public comment. There were none.

9.0 Communications

- Letter - Support for SB 81 (Arreguín) Healthcare Provider Entities: Information Sharing
- Letter to Contra Costa Congressional Delegation - Protecting and Fully Funding Head Start
- May 17 First 5 CA Press Release - First 5 Network Response to May Revise Proposals
- Letter to Contra Costa County Board of Supervisors - Recommendations for Measure X Funding for Early Childhood Services
- Letter of Support - Help A Mother Out (HAMO) Diaper Banks Funding Proposal
- Remembering the Legacy of Supervisor Federal Glover
- Letter to Contra Costa County Board of Supervisors -Recommendations for One-Time, Unallocated Measure X Funding for Parent Peer Supports

10.0 Commissioner F.Y.I. Updates

N/A

11.0 Adjourn

The meeting adjourned at 8:04 PM.

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FOURTH QUARTER FINANCIAL REPORT

FY 2024-25



ADOPTED FY 2024-25 BUDGET				FY 2024-25 4th QTR ACTUALS				Notes
F5 Contra Costa Funds	Other Funds	Total Revenue	% of Budget	F5 Contra Costa Funds	Other Funds	Total Revenue	% Budget Recevd	
REVENUE ¹								
State Sales Tax	6,609,880	6,609,880	53%	6,001,406		6,001,406	91%	
Federal Grants	56,600	56,600	0%	87,886	87,886	87,886	155%	1
State Grants	1,137,249	1,137,249	9%	1,023,094	1,023,094	1,023,094	90%	
Subrecipient Awards	1,226,031	1,226,031	10%	1,518,219	1,518,219	1,518,219	124%	2
Philanthropic Grants	100,000	100,000	1%	283,000	283,000	283,000	283%	3
Other Revenue	200,000	200,000	2%	706,160		706,160	353%	
Total	6,809,880	9,329,760	75%	6,707,566	2,912,199	9,619,765	103%	
Prop 10/56 Fund Balance Drawdown	-	3,182,610	25%	-	-	1,052,470	33%	
TOTAL REVENUE	6,809,880	12,512,371	100%	6,707,566	2,912,199	10,672,235	85%	
F5 Contra Costa Funds	Other Funds	Total Expense	% of Budget	F5 Contra Costa Funds	Other Funds	Total Expense	% Budget Spent	
PROGRAMMATIC FOCUS AREAS EXPENSES								
Early Childhood Education								
Workforce Development	56,600	56,600	1%		125,342	125,342	221%	4
Quality Early Learning	497,322	573,075	6%	24,415	482,458	506,874	88%	
Ready Kids East County School Readiness Initiative	165,565	165,565	2%	285	103,988	104,273	63%	5
Total	553,922	795,240	8%	24,701	711,788	736,489	93%	
Strengthening Families								
First 5 Centers	3,451,710	3,451,710	35%	3,059,438	29,360	3,088,798	89%	6
Home Visiting System Coordination	64,865	64,865	1%	2,726	64,993	67,719	104%	
Total	64,865	3,516,575	36%	3,062,164	94,353	3,156,517	90%	
Early Intervention								
Mental Health Services & Positive Parenting Support	286,784	396,567	4%	87,024	289,942	376,966	95%	
Inclusive Early Care & Education Environments (M-X)	604,689	770,689	8%	49,158	564,212	613,371	80%	
Coordinated Systems of Care	-	-	0%					
Help Me Grow Services & Developmental Playgroups	437,695	437,695	4%	435,424		435,424	99%	
Trauma-Informed Systems	11,700	11,700	0%			-	0%	
Total	891,473	1,616,651	16%	571,606	854,154	1,425,760	88%	
Policy Advocacy & Communications Strategies								
Communications Strategy & Policy Advocacy	15,332	305,532	3%	35,529		35,529	12%	7
Total	15,332	305,532	3%	35,529	0	35,529	12%	
Program Salaries/Benefits and Overhead Expenses								
Program Salaries & Wages	529,998	2,006,355	20%	1,205,665	627,212	1,832,877	91%	
Program Employee Benefits	337,782	1,196,517	12%	637,125	329,726	966,851	81%	
Program Expenses and Overhead	410,623	410,623	4%	406,395	30	406,425	99%	
Total	867,780	3,613,495	37%	2,249,186	956,968	3,206,154	89%	
TOTAL PROGRAM EXPENSES	2,393,372	9,847,494	100%	5,943,185	2,617,264	8,560,449	87%	
F5 Contra Costa Funds	Other Funds	Total Expense	% of Budget	F5 Contra Costa Funds	Other Funds	Total Expense	% Budget Spent	
EVALUATION EXPENSES								
Evaluation Salaries & Wages	16,840	333,375	41%	174,232	14,442	188,674	57%	8
Evaluation Employee Benefits	8,134	175,601	22%	69,717	6,026	75,743	43%	8
Professional Services	2,500	210,750	26%	116,235		116,235	55%	
Purchased Services and Supplies	-	20,500	3%	30,923		30,923	151%	9
Evaluation Expenses and Overhead	-	71,920	9%	62,132		62,132	86%	
TOTAL EVALUATION EXPENSES	27,474	812,146	100%	453,238	20,467	473,706	58%	
F5 Contra Costa Funds	Other Funds	Total Expense	% of Budget	F5 Contra Costa Funds	Other Funds	Total Expense	% Budget Spent	
ADMINISTRATIVE EXPENSES								
Administrative Salaries & Wages		749,315	40%	754,048		754,048	101%	10
Administrative Employee Benefits		413,661	22%	391,340		391,340	95%	
Professional Services		267,000	14%	198,300	3,923	202,223	76%	
Purchased Services and Supplies	5,000	180,800	10%	67,187	11,950	79,136	44%	
Operating Overhead (Risk Mgmt., DoIT/EHSD, etc.)	241,955	241,955	13%	208,614	2,719	211,333	87%	
TOTAL ADMINISTRATIVE EXPENSES	5,000	1,852,731	100%	1,619,488	18,592	1,638,080	88%	
GRAND TOTAL	2,425,846	12,512,371	100%	8,015,911	2,656,323	10,672,235	85%	

Percent of Total Budgeted Expenses	
FY 2024-25	
Program Initiatives	79%
Evaluation	6%
Administration	15%
Total:	100%

NOTES:

Received final payout of ACH (DeSaulnier) Grant; grant totaled \$149,996.
Additional funding received after budget adoption for QCC and CSPP
Philanthropic grant receipts comprised of Sunlight Giving, \$100,000; Leshar CARE grant, \$10,000; and Leshar RKEC Womb to Classroom grant, \$173,000.
Workforce Development - this budget item accounts for the ACF Grant which crosses fiscal years and is now spent out and closed. Some FY 23/24 funding was left unspent and carried forward into FY 24/25 when it was ultimately spent. Expenditures exceed the budget because the carry forward was not anticipated. Additionally, received funding for CocoKids MOU Wage Boost project after budget adoption
\$173,000 Ready Kids East County (RKEC) grant from Leshar Foundation received after budget adoption
New Office of Child Abuse Prevention (OCAP) funding received during the fiscal year.
Intended underspending due to project delays and services provided in-house as cost-saving measure
Savings due to vacant positions - Data & Policy Manager was not filled until Oct. 2024. Data & Policy Analyst I and Program Coordinator have been vacant from the start of the fiscal year. Program Officer became vacant in March 2025.
Overspending due to prepaid expense that crossed fiscal years for Social Solutions
Overage due to salary adjustments for new salary scale after budget adoption

Percent of Total Actual Expenses	
FY 2024-25	
Program Initiatives	80%
Evaluation	4%
Administration	15%
Total:	100%

FY 2024-25 Revenue Summary



REVENUE	
1	State Sales Tax
2	Proposition 10 - State Sales Tax Apportionment
3	Proposition 56 - backfill funding for loss of Prop 10 funding
4	CECET - California Electronic Cigarette Excise Tax
5	SMIF - Surplus Money Investment Fund
6	Federal Grants
7	Early Childhood Workforce Compensation Project
8	State Grants
9	First 5 California IMPACT Legacy Grant
10	First 5 IMPACT Legacy HUB
11	First 5 CA Home Visiting Tech. Assistance & Coordination Grant
12	Children & Youth Behavioral Health Initiative (CYBHI)
13	Subrecipient Awards
14	CA State Preschool Quality Block Grant (CSPP)
15	Quality Counts California (QCC)
16	Workforce Pathways (CCCOE)
17	MHSA-Behavioral Health Agreement (Triple P)
18	Inclusion -- Children with Disabilities (Measure X)
19	Other Public Funds (EHSD Father Eng, CocoKids MOU/UCB, etc.)
20	Philanthropic Grants
21	Sunlight Giving
22	Leshner II RKEC Womb to Classroom
23	Leshner - Care Grant
24	Other Revenue
25	Interest Income
	Other Misc. Income
TOTAL PROJECTED FY24-25 REVENUE	

FY2024-25 Adopted Budget			
F5 Contra Costa Funds	Other Funds	Total Revenue	Totals
			6,609,880
4,752,140		4,752,140	
1,732,740		1,732,740	
100,000		100,000	
25,000		25,000	
			56,600
	56,600	56,600	
			1,137,249
	689,460	689,460	
	60,047	60,047	
	127,742	127,742	
	260,000	260,000	
			1,226,031
	246,592	246,592	
	206,522	206,522	
	10,000	10,000	
	92,917	92,917	
	670,000	670,000	
	-	-	
			100,000
	100,000	100,000	
	-	-	
	-	-	
			200,000
200,000		200,000	
		-	
6,809,880	2,519,880	9,329,760	9,329,760

FY 2024-25 4th QTR ACTUALS			
F5 Contra Costa Funds	Other Funds	Total Revenue	Totals
			6,001,406
4,095,311		4,095,311	
1,789,558		1,789,558	
73,842		73,842	
42,695		42,695	
			87,886
	87,886	87,886	
			1,023,094
	689,455	689,455	
	86,197	86,197	
	127,442	127,442	
	120,000	120,000	
			1,518,219
	251,119	251,119	
	389,977	389,977	
	30,000	30,000	
	94,784	94,784	
	672,687	672,687	
	79,652	79,652	
			283,000
	100,000	100,000	
	173,000	173,000	
	10,000	10,000	
			706,160
648,074		648,074	
58,086		58,086	
6,707,566	2,912,199	9,619,765	9,619,765

Notes

1

2

3

4

Notes

- 1: Federal revenue is a rollover from FY 23/24 - originally projected at \$100,000 - revision made due to increased expenses in FY 23/24.
- 2: Updated revenue allocations received from funder.
- 3: Updated revenue allocations received from funder.
- 4: Reflects allocation for FY 23/24 - Pending allocation from County Behavioral Health.



**Executive Committee Meeting
MINUTES**

**Monday, May 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 5:01 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 March 10, 2025:

Dr. Marla Stuart motioned to approve the minutes of the Executive Committee meetings on March 10, 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 provided updates on the Data Team's listening sessions, conducted in partnership with the Stanford Center on Early Childhood. A summary report is expected to be presented to the Commission in August. She noted the initiation of a five-year RKEC Network Analysis, currently in its early stages. At the local level, First 5 convened in a FESP (Family Economic Security Partnership) meeting, which featured a presentation on the state budget and emerging federal threats presented by both the California Budget & Policy Center and the Food Bank.

The Commission submitted a letter of support for SB81, which aligns with safe spaces initiatives. Sandra also highlighted the First 5 Contra Costa's Neurodiversity Convening held on May 17, funded by Measure X, featuring Dani Bowman from the Netflix Series Love in the Spectrum as the keynote speaker and an upbeat atmosphere. Videos from the event, including those in sign language, were released. Dr. Marla Stuart shared that the CalSAWS system has eligibility information and there could be some opportunities for advocacy if federal data-sharing practices allowed for it.

4.2 Receive updates from the Finance and Operations Director:

Kelly Sessions reported that First 5 Contra Costa's annual audit began that day. All initial requests from the auditors have been fulfilled, with additional documentation underway. Brooke Lazzari from Krisch & Associates is the lead accountant for First 5's audit team. A new accounting consultant, Peter Medina, has also been contracted to provide services following the retirement of Marianne Dumas at the end of March. Peter is being supported by in-house staff to fulfill ongoing responsibilities. The third quarter report will be presented at the June Commission

meeting. Kelly noted that expenditures increased by over \$300,000 compared to the previous year, and he anticipates a fund balance drawdown of approximately \$500,000 to \$1 million. Several staff positions remain open.

4.3 Receive updates from the Executive Director:

Sustainability Plan Development Updates: Dr. Ruth Fernández and Cathy Senderling-McDonald provided an update on our Sustainability Plan Development. Cathy presented an overview of the process including Working Group membership and meeting summaries, types of sustainability strategies, projections, and three potential future scenarios. She clarified that this process is separate from the concurrent Strategic Planning efforts that will be led by Nicole Young. Progress continues on financial analysis, key informant interviews, and thematic insights. Individual meetings have been held with most commissioners, and outreach to remaining members is ongoing. Key partners include the Leshner Foundation, County Administrator's Office, Contra Costa Office of Education, and Contra Costa Health. Next steps include timeline refinement and clarifying whether the effort results in a framework or full plan. Full reviews of the Sustainability Plan are anticipated for July through August.

Additional Executive Director Updates:

First 5 staff is considering consolidating administrative offices and exploring opportunities for shared/co-located spaces in the Concord area. Dr. Ruth Fernández confirmed that county-provided space at low/no cost is being explored. Vidya also suggested evaluating remote work options. Dr. Fernandez shared that First 5 will be involved in a new project commissioned by the STRONG Funders looking at the feasibility for a shared space engagement in East Contra Costa County. The project identified three lead organizations to engage in a co-design, visioning and planning process to be led by Community Vision Capital & Consulting.- First 5 Contra Costa is one of three organizations participating in the project including the Contra Costa Family Justice Center and Rubicon Programs in East County. The project is expected to kick-off later this summer. Dr. Ruth Fernández also updated progress on "Choose Children 2026," a statewide campaign co-led by First 5 Association, The Children's Partnership, and the Silicon Valley Community Foundation. A campaign manager has been hired by the First 5 Association to lead this effort with the goal of elevating the needs of children ages 0–5 in California.

5.0 DISCUSS matters regarding the operation of the Commission.

Dr. Ruth Fernández noted the Commission's annual Certificate of Compliance will be submitted to the State and is scheduled to be included in the June packet. It was included in the Executive Committee packet for review only.

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.

The Committee briefly reviewed the First 5 Association's updated strategic framework, as other items had been previously highlighted earlier in the meeting.

7.0 REVIEW agenda items for upcoming Commission Meetings.

Committee members reviewed the upcoming Commission agenda; including: Possible Sustainability Plan update, Community Advisory Council (CAC) presentations, Recognition of Marianne Dumas upon her retirement, Third quarter financial report (presented by Kelly Sessions) It was noted that County Counsel Keiko Kobayashi will be unavailable to attend and will send an alternate in her absence.

8.0 Communications

- Letter - Support for SB 81 (Arreguín) Healthcare Provider Entities: Information Sharing
- Letter to Contra Costa Congressional Delegation - Protecting and Fully Funding Head Start

9.0 Adjourn – Meeting adjourned at 6:23 p.m.



**Executive Committee Meeting
MINUTES**

**Monday, September 29, 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 5:01 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; Operations Manager, Tammy Henry; Executive Assistant, Mikele Nelson.

Guests: Catherine Senderling-McDonald, Nicole Young (virtual attendance)

2.0 Public Comment.

No public comment.

3.0 Approve the Minutes of the Executive Committee Meeting on May 27, 2025:

Mary Helen Rocha motioned to approve the minutes of the Executive Committee meeting held on May 27, 2025. 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

Deputy Director Sandra Naughton provided updates on policy and program activities. She shared that Policy Advocacy training will begin the following Thursday evening for parents and service providers, reflecting strong community engagement. Mini-grant applications closed on September 30, with twelve submissions received for small projects of up to \$4,000 each; five will be awarded.

Sandra also reported that outreach continues regarding the Board of Supervisors' one-time funding for community projects in their district, and First 5 Contra Costa created a tip sheet to assist partners in applying for early childhood-related projects. The First 5 California annual report will be presented at the October 13 Commission meeting. Data show some increases in engaging service providers compared to last year due to inclusion of more child care providers in the Inclusion in ECE activities. The data dashboard looking at early childhood population and administrative data across the county is nearing completion, with a release expected in December or January and updates planned every two years.

Sandra highlighted the Parent Advisory Group, which has doubled membership this year to twenty parents. The group will meet quarterly and serve as ambassadors for early childhood programs, as well as provide input to First 5 Contra Costa on its efforts. She also announced that First 5 Contra Costa received a \$139,000 Office of Traffic Safety grant to expand car seat safety education efforts. The RKEC Big Table event is scheduled for October 29 to convene service provider and parents with a focus on African American parent engagement. Additionally, a four-

county child care workforce initiative is underway with Santa Clara County Office of Education as the lead, and which will bring \$262,000 in funding to ECE workforce efforts in our county. Sandra concluded by noting progress on the Strategic Planning process, including training and technical assistance for staff on public systems change based on the FSG model, and continuing to gather information from partners and stakeholders to better understand community needs.

4.2 Receive updates from the Finance and Operations Director:

Finance and Operations Director, Kelly Sessions reported that the annual audit, led by Eide Bailly, is ongoing. Due to new team members, additional questions have been raised, but the process remains on schedule, with draft audit numbers expected by September 30. No findings are anticipated.

Kelly provided a high-level review of the fourth quarter financial report. Revenues totaled \$9.6 million, exceeding the \$9.3 million budget projection. Increases included approximately \$400,000 in grants and \$500,000 in other revenues, primarily interest. Expenditures totaled \$10.7 million, \$1.8 million under the \$12.5 million budget. Savings occurred across several program areas, including Strengthening Families (\$300,000) and Policy & Advocacy (\$270,000), largely due to vacancies. The agency had budgeted for a \$3.2 million fund balance drawdown but required only \$1.1 million, yielding savings of \$2.1 million. There were no impacts from the state budget changes.

4.3 Receive updates from the Executive Director:

Executive Director Dr. Ruth Fernández provided an update on First 5 California's Resiliency Framework Initiative. She shared that the State Commission approved \$3 million in funding; the initiative includes a three-pronged strategy focusing on: (1) emergency support for fiscally challenged counties. Based on criteria, funding would be available to any First 5 counties that meet the threshold of an "emergency" to ensure appropriate support is provided; (2) capacity building to strengthen county-level sustainability efforts – First 5 commissions with proposals for local capacity building focused on long-term fiscal sustainability measures; and (3) long-term sustainability resources for strategic sustainability planning for the entire First 5 Network.

Discussion followed regarding CalAIM, Medi-Cal continuity for children, and implications of federal changes under H.R.1. Cathy Senderling-McDonald and committee members noted that enhanced care management and community supports remain intact under the state plan.

Dr. Fernández also announced that First 5 Association Executive Director, Avo Makdessian will attend the December Commission meeting to present an overview of the Choose Children 2026 Campaign and the policy platform developed by state partners ahead of the 2026 governor's race. The campaign aims to elevate statewide advocacy for early childhood needs.

Additional updates included exploration of potential office relocation. The Contra Costa Fire Department expressed interest in occupying the entire current suite, and First 5 is also considering relocation or sublease options, including available County and EHSD spaces. The committee discussed maintaining a Central County presence and possibly developing an interim plan. Officers expressed support for continued exploration of these options.

Dr. Fernández reported on an overview of the Strategic Planning timeline, facilitated by consultant Nicole Young. A Commission strategic planning retreat is tentatively scheduled for March 9, 2026, with a draft 5-year Strategic Plan anticipated by May, 2026. The Sustainability Plan will inform the strategic planning process. She also addressed several internal efforts to

update organizational policies including Conflict of Interest, Remote Work, and efforts to update the Employee Handbook.

Ruth turned the floor to Operations Manager Tammy Henry who provided an overview of the 2026 health and dental premium contribution rates for active employees. She noted that open enrollment for staff begins October 15th. She also reviewed the timeline for the Executive Director's performance review which will start in October, with a closed session scheduled for December.

Lastly, Tammy proposed updating the Employee Compensation and Benefits Resolution twice per year—June and December—instead of annually starting in 2026. Committee members supported the idea, with Dr. Marla Stuart suggesting that only sections reflecting changes be updated midyear. Staff will revise the form to reflect changes and add the item to the consent calendar.

5.0 RECEIVE Progress Report Presentation of First 5 Contra Costa's 5-Year Sustainability Plan. Presented by Cathy Senderling McDonald & Dr. Ruth Fernández

Dr. Fernández and consultant Cathy Senderling-McDonald presented an overview of the Sustainability Plan. Cathy summarized the plan development process, stakeholder engagement, and key findings. Recommendations were organized into short-, medium-, and long-term actions addressing financial, organizational, programmatic, and policy/community priorities.

The Committee discussed fund balance use and the contingency fund, emphasizing that allocations should be strategic and purpose-driven. Members agreed that compliance expectations require the Commission to maintain a clear financial plan that prepares the organization for unexpected fiscal changes. Discussion also included feasibility of tapering expenditures by \$1.5 million by FY 2027, potential for new interagency agreements, and the need for Board of Supervisors advocacy at the state level. Dr. Marla Stuart voiced support for the 501(c)(3) concept and Vidya Iyengar suggested including explanatory slides outlining key policy 'asks.'

6.0 DISCUSS matters regarding the operation of the Commission.

Mary Helen Rocha moved to appoint Dr. Sefanit Mekuria, Roslyn Gentry and Vidya Iyengar as 2026 Nominating Committee members. Dr. Marla Stuart seconded the motion. The nominating committee was approved, with Vidya Iyengar serving as Chair. The Committee reviewed the 2026 standing meeting calendar and approved the proposed schedule.

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.

The Committee reviewed the First 5 Association's annual membership fee of \$37,000 and affirmed the ongoing value of participation in statewide advocacy and coordination efforts.

8.0 REVIEW agenda items for upcoming Commission Meetings.

Committee members reviewed the upcoming Commission agenda; including the Annual Audit presentation, Sustainability Plan update, Choose Children Campaign presentation, and the timeline and process for the Executive Director performance review. The Executive Committee was also made aware the new 2026 medical and dental benefit rates that will be on the agenda for approval at the upcoming Commission Meeting.

9.0 Communications - None

10.0 Adjourn – Meeting adjourned at 7:01 p.m.

Staff Report
October 27, 2025

ACTION: _____ ✓
DISCUSSION: _____

TITLE: First 5 Employee Compensation and Benefits Resolution No. 2025/01

Introduction:

The Commission utilizes the County's payroll and benefits program for its employees. Since 2012, the Commission has maintained its employee compensation and benefits resolution to clarify where Commission compensation and benefits policies diverge from those of the County.

The updates in this resolution include new changes where needed and incorporate items the Commission has previously approved.

Previous Commission-approved changes are summarized below:

Page 1: Compensation:

- Section A: Updated Executive Director salary range to include:
 - a. 3% merit increase given at performance review approved by the Commission on February 10, 2025.
 - b. 3% COLA approved by the Commission on March 10, 2025, effective July 1, 2025.

Page 6: Health Plan Rates

- Section B: Updated County approved Health/Dental premium rates effective January 1, 2026.

Page 16: Deferred Compensation

- Section A: Updated language to reflect the change to the Executive Director's Deferred Compensation amounts approved by the Commission on February 10, 2025.

Page 17: Professional Development and Training

- Section D: Deleted section D, approved by the Commission on February 10, 2025.

Page 18: Attachment A Salary Schedule

- Updated salary schedule to reflect 3% COLA increase for all classifications approved by the Commission on March 10, 2025, effective July 1, 2025.

New Changes for Commission approval are summarized below:

- Updated numerical non-financial references throughout the document for consistency to spell out numbers in the narrative.

- Updated document to replace “First 5” with “First 5 Contra Costa” throughout the document. Changes are reflected on pages 2, 4, 5, 7, and 8.
- Corrected sentences where “work” should be replaced with “week”. Changes are reflected on pages 2, 5, 11, 12, and 15.
- Page 2, Section A: Last paragraph, added language for clarification: “receive paid time-off to” and Section B: added acronym, “PHL”.
- Page 3, Section E: Added language for clarification: “for temporary employees/interns”.
- Page 5:
 - Section J: Added acronym (PFL) to Paid Family Leave title.
 - Section K: Updated to include the “Designated Person” as required by California Family Rights Act (CFRA) rules updated as per AB1041 passed and implemented in 2023.
 - Section 5, A: Corrected Delta Care “PMI” to “HMO”.
- Page 9, Updated grammatical corrections to replace “his/hers” with “theirs”.
- Page 11, Section 8, Flexible Spending Accounts, paragraph A and B. Revised sentence and added language for clarity.
- Page 15, Number 5, corrected sentence structure.

The incorporated changes will change the title to Employee Compensation and Benefits Resolution 2025/01, adopted October 27, 2025.

Recommendation:

Staff recommend the Commission approve the Employee Compensation and Benefits Resolution with updated title 2025/01, which reflects new changes and previously approved changes by the Commission.



**EMPLOYEE COMPENSATION
AND
BENEFITS RESOLUTION
NO. 20254/01**

**Adopted
~~December~~ October 27 ~~16~~, 2024 ~~2025~~**

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1. Compensation

It is the policy of the Commission to provide its employees with a fair and competitive compensation package. The policy for setting compensation is described in the Commission's Consolidated Financial Policies.

- A. Executive Director: The approved salary range for the Executive Director is ~~\$154,834.98~~~~145,946.82~~ to ~~\$238,093.58~~~~224,426.04~~. The Executive Director's salary is set by the Commission

Commented [TH1]: 3% merit increase approved by the Commission February 10, 2025 - includes 3% COLA effective July 1, 2025 approved by the Commission March 10, 2025.

The Commission, at its discretion, may provide the Executive Director with an annual merit increase in an amount to be determined by the Commission.

- B. Employees: Salary ranges are listed in Attachment A, First 5 Contra Costa Salary Schedule.

First 5 Contra Costa has a 5-step pay structure shown in Attachment A. Employees receive up to four (4) annual salary (step) increases. After reaching Step 5 employees no longer receive annual salary (step) increases.

- C. Cost of Living Adjustment (COLA): COLAs are determined and approved by the Commission. If awarded, the COLA is generally applied at the beginning of a fiscal year (July 1). All employees, including the Executive Director, are eligible to receive a COLA.

2. Employment Status – Definitions

Full-Time Employees are scheduled to work ~~forty (40)~~ hours per work week.

Commented [TH2]: Revised for grammatical consistency through out document.

Part-Time Employees are scheduled to work ~~twenty (20)~~ hours or more per work week.

Intermittent Employees work on an as needed, irregular basis. Intermittent employees are paid by the hour, and offered limited benefits specified in this Resolution.

Temporary Employees/Interns work for a limited period of time. Paid temporary employees/interns will be paid on an hourly basis, and offered limited benefits specified in this Resolution. Nonpaid interns will not be offered benefits.

Non-exempt Employees are eligible to be paid for overtime work in accordance with the Federal Fair Labor Standards Act (FLSA).

Exempt Employees are exempt from earning overtime compensation under the provisions of the Federal Fair Labor Standards Act (FLSA).

3. Work Week Defined

Work Week Defined: The work week begins at 12:01 a.m. on Saturday and ends at 12:00 midnight on Friday.

4. Leaves With and Without Pay, and Related Benefits

Refer to the Benefits and Leaves of Absence Sections within the Employee Handbook to determine eligibility.

- A. Holidays Observed: First 5 Contra Costa observes 11 holidays each year. The following holidays are observed for all employees, and the office is officially closed on these days:

New Year's Day	Labor Day
Martin Luther King Jr. Day	Veterans' Day
Presidents' Day	Thanksgiving Day
Memorial Day	Day after Thanksgiving
Juneteenth Day	Christmas Day
Independence Day	

Full-time employees are entitled to observe a holiday (8 hours off work), without a reduction in pay, when a holiday is observed by First 5 Contra Costa. Part-time employees who work twenty (20) hours or more per work week are entitled to observe a holiday (time off work) in proportion to their regular weekly schedule, without a reduction in pay, when a holiday is observed by First 5 Contra Costa. Part-time employees working less than twenty (20) hours per workweek, intermittent employees, and temporary employees/interns are not eligible to receive paid time-off to observe holidays.

Commented [TH3]: Updated full spelling of First 5 Contra Costa throughout the document for consistency.

Commented [TH4]: Corrected throughout the document.

Commented [TH5]: Added for further clarification.

- B. Personal Holiday Leave (PHL): Full-time employees are eligible to accrue two (2) hours of personal holiday leave each month. Part-time employees who work twenty (20) hours or more per week accrue a prorated amount of hours based upon the number of hours they work each week. No employee may accrue more than forty (40) hours of PHL. Part-time employees working less than twenty (20) hours per work week, intermittent and temporary employees/interns are not eligible to accrue personal holiday leave.

Commented [TH6]: Add acronym

Upon separation from First 5 Contra Costa, an employee will be paid for any unused accrued personal holiday leave at the employee's then current rate of pay.

- C. Vacation: Full-time employees are eligible to accrue paid vacation each month according to years of service. Vacation for part-time and intermittent employees working more than one (1) but less than forty (40) hours per week will be prorated based upon the number of hours they work. Temporary employees/interns are not eligible to receive vacation benefits.

Vacation accrual rates and accrual maximums based upon years of service for full-time employees are reflected in the following table. No employee may accrue more than the designated maximum hours of vacation.

Length of Service	Monthly Accrual Hours	Maximum Cumulative Hours
Under 11 years	10	240
11 years	10 2/3	256
12 years	11 1/3	272
13 years	12	288
14 years	12 2/3	304
15 through 19 years	13 1/3	320
20 through 24 years	16 2/3	400
25 through 29 years	20	480
30 + years	23 1/3	560

Upon separation from First 5 Contra Costa, an employee will be paid for any unused accrued vacation at the employee's then current rate of pay.

D. Vacation Buy Back: Exempt employees may elect payment of up to one-third (1/3) of their annual vacation accrual, subject to the following conditions:

1. the choice can be made only once every twelve (12) months with eleven (11) full months between each election;
2. payment is based on an hourly rate determined by dividing the employee's monthly salary by 173.33; and
3. the maximum number of vacation hours that may be paid in any one sale is one-third (1/3) of the annual accrual.

E. Sick Leave: Full-time employees are eligible to accrue eight (8) hours of sick leave per month. Sick leave for part-time, intermittent employees, and temporary employees/interns working more than one (1) but less than forty (40) hours per week will be prorated based upon the number of hours they work. There is no cap on sick leave accruals.

On July 1 each fiscal year, temporary employees/interns will be credited with twenty-four (24) hours of sick leave. Temporary employees/interns hired during the fiscal year will receive twenty-four (24) hours of sick leave regardless of when hired. Sick leave may be used ninety (90) days from date of hire. Sick leave is non-accrualable for temporary employees/interns and all balances will be zeroed out each June 30.

Commented [TH7]: Added for further clarity.

There will be no payout of accrued sick leave upon separation from First 5 Contra Costa.

- F. Administrative Leave: On January 1 each year, full-time exempt employees in an active paid status will be credited with sixty (60) hours of paid administrative leave. Part-time exempt employees receive an amount proportionate to their established work schedule. Non-exempt, intermittent, and temporary employees/interns are not eligible to receive administrative leave.

Employees hired or promoted to exempt positions are eligible for administrative leave on the first day of the month following their appointment date and will receive administrative leave on a prorated basis that first year.

Administrative leave is non-accruable, and all balances will be zeroed out each December 31. There is no payout of administrative leave balances upon separation from First 5 Contra Costa.

- G. Disability Insurance: First 5 Contra Costa provides short and long-term disability insurance for eligible employees. Eligibility is outlined below:

1. Short-Term Disability Insurance

- a) Non-exempt, intermittent, and temporary employees/interns participate in the California State Disability Insurance program through payroll deductions.
- b) Exempt employees do not participate in the California State Disability Insurance program.

2. Long-Term Disability Insurance

- a) Exempt employees, who work twenty (20) hours or more per work week, participate in Management Long-Term Disability Benefits through payroll deductions.
- b) Non-exempt, intermittent, and temporary employees/interns do not participate in Management Long-Term Disability Benefits

3. Supplemental Disability Insurance provided by First 5 Contra Costa

- a) Non-Exempt employees, who work twenty (20) hours or more per work week, are provided with Supplemental Long-Term disability insurance.
- b) Exempt employees, who work twenty (20) hours or more per work week, are provided with short-term disability insurance.
- c) Intermittent, temporary employees/interns are not eligible to participate in supplemental disability insurance.

- H. Disability Insurance for Partial Wage Replacement: First 5 Contra Costa will provide the same disability coverage for employees as provided through and administered by Contra Costa County. Refer to plan documents for more information.

1. Long Term Disability. Full and part-time exempt employees, who work twenty (20) hours or more per week, participate in the Management Long-Term Disability Insurance program with a replacement limit of eighty-five percent (85%) of total monthly base earnings reduced by any deductible benefits.

Commented [TH8]: Added for clarity/consistency

2. Short Term Disability. Full and part-time non-exempt, intermittent employees, and paid temporary employees/intern employees participate in California's State Disability Insurance program through payroll deductions as mandated by the California Unemployment Insurance Code and administered by the Employment Development Department.

I. Supplemental Disability Insurance: First 5 Contra Costa provides additional short and long-term disability insurance, at no cost to employees, for full-time and part-time employees who work twenty (20) hours or more per week. Part-time employees who work less than twenty (20) hours per workweek, intermittent employees, and temporary employees/interns are not eligible to receive supplemental disability insurance. Refer to plan documents for more information.

J. Paid Family Leave (PFL): Non-exempt employees who participate in California's State Disability Insurance program through payroll deductions may be eligible for up to eight (8) weeks of the state's Paid Family Leave program, which provides partial wage replacement for absences related to care of a family member, or bonding with a new child. This program is coordinated through the State Employment Development Department (EDD). Refer to PFL documents for more information.

Commented [TH9]: Added acronym

K. California Family Rights Act (CFRA): Eligible employees may qualify for up to twelve (12) weeks of unpaid job-protected leave to care for their own serious health condition ~~or~~ a family member with a serious health condition, ~~or~~ to bond with a new child ~~or to care for a~~ designated person. Refer to CFRA documents for more information.

Commented [TH10]: The term "designated person" was added to the CFRA rules as a result of passing the assembly bill AB 1041 and was implemented in 2023. Updating language in Resolution.

5. Health, Dental, and Related Benefits for Active Employees

For a full description of plans, rates and benefits listed below, refer to the County Employee Benefits information online at www.co.contra-costa.ca.us.

A. Health Plan Coverages: First 5 Contra Costa will provide the same medical and dental plans for employees and for their eligible family members, as provided through Contra Costa County and the following providers:

1. Contra Costa Health Plan
2. Kaiser Permanente
3. Health Net
4. Delta Dental Premier
5. Delta Care (~~PMIHMO~~)

Commented [TH11]: Corrected

B. Monthly Premium Subsidy:

1. Intermittent employees are eligible to participate in the health, dental, and vision plans offered, and will pay the full premium costs of the plan.
Temporary employees/interns are not eligible to participate in the optional health, dental, or vision plans.
2. For full-time and part-time employees who work twenty (20) hours or more per week, and who are not intermittent, temporary employees/interns, the following rules apply.
 - a) For each health plan, First 5 Contra Costa's monthly premium subsidy is a set percentage of the premium charged by the plan. First 5 Contra Costa will pay eighty percent (80%) of the monthly health plan premium. Employees are required to pay twenty percent (20%) of the monthly health premium.
 - b) For each dental plan, First 5 Contra Costa's monthly premium subsidy is the same rate as County unrepresented employees.

First 5 Contra Costa will pay the following monthly premium subsidies for full-time and part-time employees working twenty (20) hours or more per week.

	<u>20265 Employer Monthly Contribution</u>	
<u>HEALTH PLANS</u>	<u>Plan A</u>	<u>Plan B</u>
Contra Costa Health Plan-Basic Plan		
Employee on Basic Plan	\$1040 <u>1085.90</u> 04	\$1119.61 <u>1203.73</u>
Employee & 1	\$2019.99 <u>2171.76</u>	\$2239.20 <u>2407.44</u>
Employee & 2 or more dependents	\$3030.04 <u>3257.67</u>	\$3358.83 <u>3611.19</u>
Kaiser Permanente-Basic Plan		
Employee on Basic Plan	\$781.83 <u>857.78</u>	\$621.40 <u>681.75</u>
Employee & 1	\$1563.65 <u>1715.56</u>	\$1242.79 <u>1363.49</u>
Employee & 2 or more dependents	\$2345.48 <u>2573.33</u>	\$1864.18 <u>2045.24</u>
Kaiser Permanente-High Deductible Plan		
Employee on Basic Plan	\$498.80 <u>547.33</u>	-
Employee & 1	\$997.60 <u>1094.66</u>	-
Employee & 2 or more dependents	\$1496.40 <u>1641.99</u>	-
Health Net SmartCare HMO Plan		

Commented [TH12]: Updated with County-approved 2026 benefit rates:
 Contra Costa Health Plan - Increase 7.24 %
 Kaiser Health Plan - Increase 9.26%
 Health Net Smart Care A&B - Increase 8.84%
 Health Net PPO - Increase 11.63%
 No change to Dental Plans

Employee on Basic Plan	\$4522.74 <u>1663.56</u>	\$4048.79 <u>1113.03</u>
Employee & 1	\$3045.41 <u>3327.11</u>	\$2037.56 <u>2226.05</u>
Employee & 2 or more dependents	\$4568.12 <u>4990.66</u>	\$3056.35 <u>3339.08</u>
Health Net PPO Plan-Basic Plan		
Employee on Basic Plan	\$3276.23 <u>3680.84</u>	-
Employee & 1	\$6552.45 <u>7361.68</u>	-
Employee & 2 or more dependents	\$9828.68 <u>11042.52</u>	-

DENTAL PLANS

	Delta Dental Premier PPO	Delta Care (HMO)
For CCHP Plans		
Employee	\$41.17	\$24.17
Employee & 1	\$93.00	\$52.23
Employee & 2 or more dependents	\$93.00	\$52.23
For Health Net Plans		
Employee	\$34.02	\$21.31
Employee & 1	\$76.77	\$46.05
Employee & 2 or more dependents	\$76.77	\$46.05
For Kaiser Permanente Plans		
Employee	\$34.02	\$21.31
Employee & 1	\$76.77	\$46.05
Employee & 2 or more dependents	\$76.77	\$46.05
Without a Health Plan		
Employee	\$43.35	\$24.17
Employee & 1	\$97.81	\$52.23
Employee & 2 or more dependents	\$97.81	\$52.23

3. In the event that First 5 Contra Costa's premium subsidy amounts are greater than one hundred percent (100%) of the applicable premium of any health or dental plan, for any plan year, First 5 Contra Costa's contribution will not exceed one hundred percent (100%) of the applicable plan premium.

C. **Health Plan Coverages and Provisions:** The following provisions are applicable to First 5 Contra Costa Employees' Health and Dental Plan participation:

1. **Employee Contribution Deficiencies:** First 5 Contra Costa contributions to the Health Plan and/or Dental Plan premiums are payable for any month in which the employee is paid. If an employee's compensation in any month is not sufficient to pay the employee share of the premium, the employee must make up the difference by remitting the unpaid amount to the County Auditor Controller. The responsibility for this payment rests solely with the employee.

2. Leave of Absence: First 5 Contra Costa will continue to pay its shares of health and/or dental plan premiums for enrolled employees who are on an approved paid or unpaid leave of absence provided the employee's share of the premiums is paid by the employee.
3. Health Savings Account (HSA): Full-time and part-time employees working at least twenty (20) hours per week and who are enrolled in the Kaiser High Deductible Health Plan may elect to enroll in a Health Savings Account (HSA). Employees may contribute up to the maximum annual contribution rate for HSAs as set forth in the Internal Revenue Code. Funds contributed to the HSA are invested as directed by the employee. First 5 Contra Costa does not provide any recommendations or advice on investment or use of HSA funds. Employees are responsible for paying any HSA account management fees charged by the HSA administrator. First 5 Contra Costa does not manage or administer the HSA. The HSA is not available to intermittent employees or temporary employees/interns.
- D. Family Member Eligibility Criteria: The following persons may be enrolled as the eligible Family Members of a medical and/or dental plan Subscriber:
1. Health Insurance
- a) Eligible Dependents:
- Employee's legal spouse
 - Employee's qualified domestic partner (State registered domestic partnership or Contra Costa County non-registered domestic partnership)
 - Employee's child to age 26
 - Employee's disabled child who is over age 26, unmarried, and incapable of sustaining employment due to a physical or mental disability that existed prior to the child's attainment of age 19.
- b) "Employee's child" includes natural child, stepchild, adopted child, child of a qualified domestic partner, and a child specified in a Qualified Medical Child Support Order (QMCSO) or similar court order.
2. Dental Insurance
- a) Eligible Dependents:
- Employee's legal spouse
 - Employee's qualified domestic partner (State registered domestic partnership or Contra Costa County non-registered domestic partnership)
 - Employee's unmarried child who is:
 - i. Under age 19; or
 - ii. Age 19 or above, but under age 24; and
 - (a) Resides with the employee for more than fifty percent (50%) of the year, excluding time living at school; and

Commented [TH13]: Corrected

- (b) Receives at least fifty percent (50%) of their support from employee; and
 - (c) Is enrolled and attends school on a full-time basis, as defined by the school, unmarried and living with you (except when away at school)
 - iii. Employee's disabled child who is over age 19, unmarried, incapable of sustaining employment due to a physical or mental handicap that existed prior to the child's attainment of age 19 and is your dependent as defined by the Internal Revenue Service.
- b) "Employee's child" includes natural child, stepchild, adopted child, child of a qualified domestic partner, and a child specified in a Qualified Medical Child Support Order (QMCSO) or similar court order.
- E. Voluntary Vision Plan: Full-time, part-time, and intermittent employees are eligible to enroll in a voluntary vision plan. Employees will pay the full premium costs of the plan. Temporary employees/interns are not eligible to enroll in the voluntary vision plan.
- F. CalPERS Long-Term Care: Eligible employees may voluntarily elect to purchase long-term care at their expense through the CalPERS Long-Term Care Program.
- G. Premium Conversion Plan: Employees may elect to participate in the Premium Conversion Plan designed to qualify for tax savings under Section 125 of the Internal Revenue Code, but tax savings are not guaranteed. The program allows employees to use pre-tax dollars to pay health and dental premiums.

6. Health, Dental and Related Benefits for Separated or Retired Employees

For a full description of plans, rates and benefits listed below, refer to the County Employee Benefits information online at www.co.contra-costa.ca.us.

- A. Coverage Upon Separation: An employee who separates from First 5 Contra Costa is covered by his/her-their health and/or dental plan through the last day of the month in which s/he they separate. Employees who separate from First 5 Contra Costa employment may continue group health and/or dental plan coverage to the extent provided by the COBRA laws and regulations, at the same rates as Contra Costa County Cobra plans.
- B. Coverage Upon Retirement: An employee who retires from First 5 Contra Costa may be eligible to continue his/her-their health and/or dental plan at the retiree rates as approved by the Commission. Refer to Section 10D for additional information.

Commented [TH14]: Updated language throughout document.

7. Workers' Compensation

First 5 Contra Costa provides workers' compensation insurance to employees injured within the course and scope of their employment with medical and other benefits as prescribed in the California Labor Code.

8. Flexible Spending Accounts

Employees working twenty (20) hours or more per week are eligible to participate in the following flexible spending accounts. Part-time employees working less than twenty (20) hours per workweek, intermittent employees, and temporary employees/interns are not eligible to participate.

A. Health Care Spending Account: After six (6) months of continuous employment, employees working twenty (20) hours or more per week may elect to participate in a Health Care Spending Account (HCSA) Program designated to qualify for tax savings under Section 125 of the Internal Revenue Code. Such savings are not guaranteed. This program allows employees to set aside a predetermined amount of before-tax dollars from their pay each calendar year for health care expenses that are not reimbursed by any other health benefit plan. HCSA dollars may be spent on any eligible medical expenses allowed by Internal Revenue Code Section 125. Any unused balances are is forfeited annually and cannot be recovered by the employee, check program deadlines.

Commented [TH15]: Updated for clarity

B. Dependent Care Assistance Program: The Dependent Care Assistance Program (DCAP) is designed for employees to qualify for tax savings under Section 129 of the Internal Revenue Code. Such savings are not guaranteed. Any unused balances are is forfeited annually and cannot be recovered by the employee, check program deadlines.

9. Life Insurance

Full-time and part-time employees working twenty (20) hours or more per week may be eligible to participate in the following life insurance programs, based on the following criteria. Part-time employees working less than twenty (20) hours per workweek, intermittent employees, and temporary employees/interns are not eligible to participate. Refer to the plan documents for more information.

- A. Life Insurance Benefit Under Health and Dental Plans: For employees who are enrolled in First 5 Contra Costa's program of medical or dental coverage as either the primary or the dependent, term life insurance in the amount of ten thousand dollars (\$10,000) will be provided by First 5 Contra Costa.
- B. Voluntary Supplemental Life Insurance: In addition to the life insurance benefits provided by this resolution, employees may subscribe voluntarily and at their own expense for supplemental life insurance. Employees may elect from \$20,000 up to \$500,000 of coverage as provided through and administered by Contra Costa County.
- C. Non-exempt Employees: Non-exempt employees are covered by term life insurance, at First 5 Contra Costa's expense, in the amount of forty thousand dollars (\$40,000) in addition to the insurance provided under Section 7.A.

- D. Exempt Employees: Exempt employees are covered by term life insurance, at First 5 Contra Costa's expense, in the amount of fifty-seven thousand dollars (\$57,000) in addition to the insurance provided under Section 7.A.
- E. Executive Director: In lieu of the insurance provided under Section D, the Executive Director is covered by term life insurance, at First 5 Contra Costa's expense, in the amount of sixty thousand dollars (\$60,000) in addition to the insurance provided under Section 7.A.

10. Retirement

The Contra Costa County Employees' Retirement Association (CCCERA) was established by the County of Contra Costa in 1945. CCCERA is governed by the County Employees' Retirement Law of 1937 (California Government Code Section 31450 et. seq), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures, and policies adopted by CCCERA's Board of Retirement.

CCCERA is a cost-sharing multiple employer public employee retirement association whose main function is to provide service retirement, disability, death and survivor benefits to members employed by First 5 Contra Costa.

Eligible First 5 Contra Costa employees are General Members. General members hired prior to January 1, 2013, are eligible to retire once they attain the age of seventy (70) regardless of service or at age fifty (50) and have acquired ten (10) or more years of retirement service credit. A member with thirty (30) years of service is eligible to retire regardless of age. General members who are first hired on or after January 1, 2013, are eligible to retire once they have attained the age of seventy (70) regardless of service or at age fifty-two (52) and have acquired five (5) years of retirement service credit.

Part-time employees working less than twenty (20) hours per workweek, intermittent employees, and temporary employees/interns are not eligible to participate.

The retirement benefit is based upon age at retirement, final average compensation, years of retirement service credit and retirement plan and tier.

CCCERA may approve an annual cost-of-living benefit to all retirees. The cost-of-living adjustment, based upon the Consumer Price Index for the San Francisco-Oakland-San Jose Area, is capped at 3.0% for General Tier 1 and PEPRA General Tier 4. The plan also provides a post-retirement lump sum death benefit of \$5,000 to the member's beneficiary (\$31789.5) paid from the Post Retirement Death Benefit Reserve.

The program is a defined benefit retirement plan and includes mandatory deductions, as determined by CCCERA.

- A. Membership in the Contra Costa County Employees' Retirement Association (CCCERA). Full-time employees and part-time employees who work twenty (20) hours or more per week are members of the Contra Costa County Employees' Retirement Association (CCCERA). Participation is automatic and cannot be waived. Employees become members of CCCERA effective on the first full pay period after employment.
- B. Rates: The member and employer contribution rates are split into two sets.
1. Employees with membership dates before January 1, 2013, are Legacy Members enrolled in Tier 1 Enhanced.
 2. Employees with membership dates on or after January 1, 2013, are PEPPRA Members enrolled in Tier 4.

PEPPRA Members are governed by the California Public Employees' Pension Reform Act of 2013 (PEPPRA) (Chapters 296 and 297, Statutes of 2012). To the extent that this resolution conflicts with any provision of PEPPRA, PEPPRA governs.

Contribution rates for employers and employees are determined by the CCCERA Board of Directors. For more information about contribution rates contact CCCERA at 925-521-3960 or online at www.cccera.org.

- C. Pre-Tax Payment of Retirement Contributions: First 5 Contra Costa follows Section 414(h) (2) of the Internal Revenue Code which allows the County Auditor-Controller to reduce the gross monthly pay of employees by an amount equal to the employee's total contribution to the County Retirement System before Federal and State income taxes are withheld and forward that amount to the Retirement system. This program of deferred retirement contribution will be universal and non-voluntary as required by statute.
- D. Health and Dental Benefit Participation Upon Retirement

For a full description of plans, rates and benefits listed below, refer to the County Employee Benefits information online at www.co.contra-costa.ca.us.

1. Upon retirement, eligible employees and their eligible family members may remain in their First 5 Contra Costa health/dental plan, but without First 5 Contra Costa paid life insurance coverage, if immediately before their proposed retirement the employees and dependents are either active subscribers to one of the contracted health/dental plans or if while on authorized leave of absence without pay, they have retained continuous

coverage during the leave period. First 5 Contra Costa will pay the health/dental plan monthly premium subsidies for eligible retirees and their eligible family members at the same rates as Contra Costa County retirement plans.

2. Employees Hired After December 31, 2006: All employees hired after December 31, 2006, are eligible for retiree health/dental coverage pursuant to subsections D.1 above and E. below, upon completion of fifteen (15) years of service as an employee of First 5 Contra Costa. For purposes of retiree health eligibility, one year of service is defined as one thousand (1,000) hours worked within one anniversary year. The existing method of crediting service while an employee is on an approved leave of absence will continue. Upon retirement, employees (and their eligible family members) are eligible to receive a monthly premium subsidy for health and dental plans at the same rates as Contra Costa County retiree plans.
 3. Employees Hired on or after January 1, 2009: Eligible employees who retire under the Contra Costa County Employees' Retirement Association (CCCERA), and their eligible family members, may retain continuous coverage of a health and/or dental plan, however no monthly premium subsidy will be paid by First 5 Contra Costa for any health or dental plan after they retire. They will receive continuous coverage of a health and/or dental plan, provided that he or she begins to receive a monthly retirement allowance from CCCERA within 120 days of separation from First 5 Contra Costa employment and, (ii) he or she pays the full premium cost under the health and/or dental plan without any First 5 Contra Costa premium subsidy.
 4. Any person who becomes age 65 on or after January 1, 2009, and who is eligible for Medicare must immediately enroll in Medicare Parts A and B.
- E. Employees Who File For Deferred Retirement: Employees, who resign and file for a deferred retirement and their eligible family members, may continue in their First 5 Contra Costa group health and/or dental plan under the following conditions and limitations.
1. Health and dental coverage during the deferred retirement period is entirely at the expense of the employee, without any First 5 Contra Costa contributions.
 2. Life insurance coverage is not included.
 3. To continue health and dental coverage, the employee must:
 - a) be qualified for a deferred retirement under the 1937 Retirement Act provisions;
 - b) be an active member of a First 5 Contra Costa group health and/or dental plan at the time of filing their deferred retirement application and elect to continue plan benefits;

- c) be eligible for a monthly allowance from the Retirement System and direct receipt of a monthly allowance within twenty-four (24) months of application for deferred retirement; and
 - d) file an election to defer retirement and to continue health benefits hereunder with the Benefits Division within thirty (30) days before separation from First 5 Contra Costa.
4. Deferred retirees who elect continued health benefits hereunder and their eligible family members may maintain continuous membership in their health and/or dental plan group during the period of deferred retirement by paying the full premium for health and dental coverage on or before the 10th of each month, to the Contra Costa County Auditor-Controller. When the deferred retirees begin to receive retirement benefits, they will qualify for the same health and/or dental coverage pursuant to subsection D.1 above, as similarly situated retirees who did not defer retirement.
5. Deferred retirees may elect retiree health benefits hereunder without electing to maintain participation in their First 5 Contra Costa health and/or dental plan during their deferred retirement period. When they begin to receive retirement benefits, they will qualify for the same health and/or dental coverage pursuant to subsection D.1 above, as similarly situated retirees who did not defer retirement, provided reinstatement to a Contra Costa group health and/or dental plan will only occur following a ~~full~~ three (3) ~~full~~-calendar month waiting period after the month in which their retirement allowance commences.
6. Employees who elect deferred retirement will not be eligible in any event for First 5 Contra Costa health and/or dental plan subsidy unless the member draws a monthly retirement allowance within twenty-four (24) months after separation from First 5 Contra Costa.
7. Deferred retirees and their eligible family members are required to meet the same eligibility provisions for retiree health/dental coverage as similarly situated retirees who did not defer retirement.
- F. For purposes of Section 10 only, "eligible family members" does not include Survivors of employees or retirees.

Commented [TH16]: Corrected

11. Deferred Compensation

Full-time and part-time employees working ~~twenty~~ (20) hours or more per week are eligible to participate in the Deferred Compensation plan. Part-time employees working less than ~~twenty~~ (20) hours per ~~workweek~~, intermittent employees, and temporary employees/interns are not eligible to participate.

Refer to the County Employee Benefits information online at www.co.contra-costa.ca.us.

- A. Deferred Compensation Incentive: First 5 Contra Costa will contribute eighty-five dollars (\$85) per month to each eligible employee who participates in the Deferred Compensation Plan. To be eligible for this Deferred Compensation Incentive, the employee must contribute to the deferred compensation plan as indicated below.

Employees with Current Monthly Salary of:	Qualifying Base Contribution Amount	Monthly Contribution Required to Maintain Incentive Program Eligibility
\$2,500 and below	\$250	\$50
\$2,501 – 3,334	\$500	\$50
\$3,335 – 4,167	\$750	\$50
\$4,168 – 5,000	\$1,000	\$50
\$5,001 – 5,834	\$1,500	\$100
\$5,835 – 6,667	\$2,000	\$100
\$6,668 and above	\$2,500	\$100

Employees who discontinue contributions or who contribute less than the required amount per month for a period of one (1) month or more will no longer be eligible for the eighty-five dollar (\$85) Deferred Compensation Incentive. To reestablish eligibility, employees must again make a Base Contribution Amount as set forth above based on their current monthly salary. Employees with a break in deferred compensation contributions either because of an approved medical leave or an approved financial hardship withdrawal will not be required to reestablish eligibility. Further, employees who lose eligibility due to displacement by layoff, but maintain contributions at the required level and are later employed in an eligible position, will not be required to reestablish eligibility.

The Executive Director will receive a contribution of \$106 per month from First 5 Contra Costa in addition to the \$85 monthly contribution all eligible employees receive for a total contribution of \$191 monthly (\$2292 annually). To be eligible for this deferred compensation incentive, the Executive Director must contribute the required amount stated above to the deferred compensation plan and meet all eligible criteria outlined in this section of the Employee Compensation and Benefits Resolution.

Commented [TH17]: Language here was updated for the Deferred Comp contribution approved at the February 10, 2025 Commission meeting.

- B. Maximum Annual Contribution: All of the employee and First 5 Contra Costa contributions will be added together to ensure that the annual maximum contribution to the employee's deferred compensation account does not exceed the annual maximum contribution rate set forth in the United States Internal Revenue Code.
- C. Deferred Compensation Plan (IRC 457) Loan Provision: Employees who participate in the Deferred Compensation program are eligible to borrow funds from their Deferred Compensation account.

12. Professional Development and Training

- A. Career Development Training Reimbursement: First 5 Contra Costa provides educational assistance reimbursement ~~to~~ up to \$500 per year for eligible employees, with Executive Director approval.
- B. Management Development Policy: First 5 Contra Costa may elect to pay the cost of employees' attendance at professional conferences or trainings as they relate to an employee's job function, with Executive Director approval.
- C. Memberships, Subscriptions, and Dues: First 5 Contra Costa may elect to pay the cost of memberships, subscriptions, etc. as they relate to an employee's job function, with Executive Director approval.
- ~~D. Executive Director Memberships, Subscriptions, and Dues: First 5 Contra Costa's Executive Director is eligible for up to \$1,272.00 reimbursement every year for memberships, subscriptions, and professional development.~~

Commented [TH18]: Remove - this was converted to a Deferred Compensation amount monthly for the ED position.

13. Mileage Reimbursement

- A. Mileage Reimbursement: First 5 Contra Costa will pay a mileage allowance for the use of personal vehicles on First 5 Contra Costa business at the rate allowed by the Internal Revenue Service (IRS) as a tax-deductible expense, adjusted to reflect changes in this rate on the date it becomes effective or the first of the month following announcement of the changed rate by the IRS, whichever is later.

14. Executive Director Automobile Allowance

First 5 Contra Costa's Executive Director receives a \$333.90 monthly car allowance.

First 5 Contra Costa
Employee Compensation and Benefits Resolution 20254/01

Attachment A
Salary Schedule
~~Effective Date 7/1/2024~~
Effective Date 7/1/2025

Commented [TH19]: Updated table with approved 3% COLA effective July 1, 2025

Title	Salary Schedule				
	Step 1	Step 2	Step 3	Step 4	Step 5
Accountant	93,331.39	97,997.96	102,897.86	108,042.75	113,444.89
Administrative Analyst I	86,667.29	91,000.65	95,550.69	100,328.22	105,344.63
Administrative Analyst II	93,331.39	97,997.96	102,897.86	108,042.75	113,444.89
Administrative Assistant I	67,703.96	71,089.16	74,643.61	78,376.80	82,294.59
Administrative Assistant II	71,131.80	74,688.39	78,422.81	82,343.95	86,461.15
Communications Specialist I	82,490.64	86,615.17	90,945.93	95,493.23	100,267.89
Communications Specialist II	88,833.38	93,275.05	97,938.80	102,835.74	107,977.53
Communications Manager	113,715.09	119,400.84	125,370.89	131,639.43	138,221.40
Community Engagement Coordinator	98,056.00	102,958.80	108,106.74	113,512.08	119,187.68
Community Organizer	72,909.58	76,555.06	80,382.81	84,401.95	88,622.05
Community Engagement Program Assistant II	72,909.58	76,555.06	80,382.81	84,401.95	88,622.05
Data and Policy Analyst I	103,019.57	108,170.55	113,579.08	119,258.03	125,220.93
Data and Policy Analyst II	110,941.30	116,488.37	122,312.78	128,428.42	134,849.84
Data and Policy Manager	116,557.89	122,385.78	128,505.07	134,930.33	141,676.84
Deputy Director	149,203.74	156,663.93	164,497.12	172,721.98	181,358.08
Early Childhood Program Officer	125,519.92	131,795.92	138,385.74	145,304.00	152,570.25
Early Childhood Education Program Assistant II	72,909.58	76,555.06	80,382.81	84,401.95	88,622.05
Early Intervention Program Assistant II	72,909.58	76,555.06	80,382.81	84,401.95	88,622.05
Executive Assistant	78,515.87	82,441.66	86,563.75	90,891.93	95,436.53
Family Support Program Assistant II	72,909.58	76,555.06	80,382.75	84,401.95	88,622.05
Finance and Operations Director	142,014.34	149,115.06	156,570.81	164,399.35	172,619.32
Grants and Contracts Manager	116,557.89	122,385.78	128,505.07	134,930.33	141,676.84
Grants and Contracts Program Assistant II	72,909.58	76,555.06	80,382.81	84,401.95	88,622.05
Help Me Grow Program Coordinator	98,056.00	102,958.80	108,106.74	113,512.08	119,187.68
Human Resources Manager	116,557.89	122,385.78	128,505.07	134,930.33	141,676.84
Office and Facilities Coordinator	88,833.38	93,275.05	97,938.80	102,835.74	107,977.53
Program Assistant II	72,909.58	76,555.06	80,382.75	84,401.95	88,622.05
Program Coordinator	98,056.00	102,958.80	108,106.74	113,512.08	119,187.68
Policy, Strategy and Evaluation Program Assistant II	72,909.58	76,555.06	80,382.75	84,401.95	88,622.05
Policy, Strategy and Evaluation Director	142,014.34	149,115.06	156,570.81	164,399.35	172,619.32
Quality Improvement Coach	95,664.34	100,447.56	105,569.93	110,743.43	116,280.60
Quality Improvement Coach Coordinator	98,056.00	102,958.80	108,106.74	113,512.08	119,187.68
Ready Kids-East County Initiative Coordinator	98,056.00	102,958.80	108,106.74	113,512.08	119,187.68
Special Projects Coordinator	98,056.00	102,958.80	108,106.74	113,512.08	119,187.68
Trauma and Resiliency Coordinator	98,056.00	102,985.80	108,106.74	113,512.08	119,187.68

Title	Salary Schedule				
	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
Accountant	96,131.33	100,937.90	105,984.79	111,284.03	116,848.23
Administrative Analyst I	89,267.31	93,730.67	98,417.21	103,338.07	108,504.97
Administrative Analyst II	96,131.33	100,937.90	105,984.79	111,284.03	116,848.23
Administrative Assistant I	69,735.08	73,221.83	76,882.92	80,727.07	84,763.42
Administrative Assistant II	73,265.75	76,929.04	80,775.49	84,814.27	89,054.98
Communications Specialist I	84,965.36	89,213.63	93,674.31	98,358.02	103,275.93
Communications Specialist II	91,498.38	96,073.30	100,876.97	105,876.97	111,216.85
Communications Manager	117,126.54	122,982.87	129,132.01	135,588.61	142,368.04
Community Engagement Coordinator	100,997.68	106,047.56	111,349.94	116,917.44	122,763.31
Community Organizer	75,096.87	78,851.71	82,794.30	86,934.01	91,280.71
Community Engagement Program Assistant II	75,096.87	78,851.71	82,794.30	86,934.01	91,280.71
Data and Policy Analyst I	106,110.16	111,415.66	116,986.45	122,835.77	128,977.56
Data and Policy Analyst II	114,269.54	119,983.02	125,982.17	132,281.28	138,895.34
Deputy Director	153,679.85	161,363.84	169,432.04	177,903.64	186,798.82
Early Childhood Program Officer	129,285.52	135,749.79	142,537.28	149,664.15	157,147.35
Early Childhood Education Program Assistant II	75,096.87	78,851.71	82,794.30	86,934.01	91,280.71
Early Intervention Program Assistant II	75,096.87	78,851.71	82,794.30	86,934.01	91,280.71
Executive Assistant	80,871.35	84,914.91	89,160.66	93,618.69	98,299.63
Family Support Program Assistant II	75,096.87	78,851.71	82,794.30	86,934.01	91,280.71
Finance and Operations Director	146,274.77	153,588.51	161,267.93	169,331.33	177,797.90
Grants and Contracts Manager	120,054.63	126,057.36	132,360.23	138,978.24	145,927.15
Grants and Contracts Program Assistant II	75,096.87	78,851.71	82,794.30	86,934.01	91,280.71
Help Me Grow Program Coordinator	100,997.68	106,047.56	111,349.94	116,917.44	122,763.31
Human Resources Manager	120,054.63	126,057.36	132,360.23	138,978.24	145,927.15
Office and Facilities Coordinator	91,498.38	96,073.30	10,876.97	105,920.81	111,216.85
Program Assistant II	75,096.87	78,851.71	82,794.30	86,934.01	91,280.71
Program Coordinator	100,997.68	106,047.56	111,349.94	116,917.44	122,763.31
Policy Strategy and Evaluation Program Assistant II	75,096.87	78,851.71	82,794.30	86,934.01	91,280.71
Policy Strategy and Evaluation Director	146,274.77	153,588.51	161,267.93	169,331.33	177,797.90
Quality Improvement Coach	98,534.27	103,460.98	108,634.03	114,065.73	119,769.02
Quality Improvement Coach Coordinator	100,997.68	106,047.56	111,349.94	116,917.44	122,763.31
Ready Kids East County Initiative Coordinator	100,997.68	106,047.56	111,349.94	116,917.44	122,763.31
Special Projects Coordinator	100,997.68	106,047.56	111,349.94	116,917.44	122,763.31
Trauma and Resiliency Coordinator	100,997.68	106,047.56	111,349.94	116,917.44	122,763.31

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Internal Updates

First 5 Contra Costa Welcomes Stephanie Shieh

In July, First 5 Contra Costa proudly welcomed Stephanie Shieh as the new Early Childhood Program Officer. Stephanie brings extensive experience in early education and nonprofit sectors, along with a deep commitment to creating equitable, accessible, and inclusive systems for young children and families. A former Kindergarten and TK teacher, she has also led early learning and professional development initiatives supporting families and child care educators in Napa County. With her strong background Stephanie is ready to make a powerful impact and help advance our mission for Contra Costa's youngest learners.



County Updates

City of Concord Honors Dr. Ruth Fernandez for Exceptional Leadership and Service

During Hispanic Heritage Month, the City of Concord recognized Dr. Ruth Fernandez, Executive Director of First 5 Contra Costa, for her extraordinary leadership and unwavering commitment to young children and families in Contra Costa County. The Proclamation of Recognition, presented by Mayor Carlyn Obringer, celebrated Dr. Fernandez's tireless work to advance equity, early childhood development, and family well-being. See Dr. Ruth receive her proclamation here: <https://youtu.be/42NOreHkIo0>



Community Impact Outreach Efforts & Application Toolkit

We're proud to highlight our recent efforts to ensure community voices play a central role in shaping how \$14 million in one-time federal funds are invested. In September, First 5 Contra Costa launched [a dedicated landing page](#) showcasing the multiple opportunities for community input, including town halls, community events, surveys, and input sessions. It was an opportunity for partners and residents to easily see how their feedback would shape the process. We also developed a comprehensive toolkit called [Tips to Support Community Impact Fund Applications](#), specially designed to support our community partners. It offered practical advice, key data points, and strategic tips to improve their grant-application success.

Immigration Resources for Partners & Families

In our ongoing effort to support immigrant families facing uncertainty, we partnered with On the Move Bay Area to deliver a series of trainings for organizational leaders and licensed child-care providers. These sessions were all about helping trusted community partners guide families through legal and emergency planning with confidence and care.

We also recently joined Stand Together Contra Costa and trusted community partners for an Immigration Forum hosted at Contra Costa College. Attendees received free, private legal consultations with immigration attorneys, participated in empowering "Know Your Rights" and family preparedness workshops, and accessed a vibrant community resource fair. As a trusted community partner, we've gathered helpful tools and information to support both immigrant families and service providers during

EXECUTIVE DIRECTOR'S REPORT

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challenging times—including our [Supporting Immigrant Families Toolkit](#), featuring key sections like Strengthening Families, Family Preparedness, Know Your Rights, and Legal Services.

[Visit our Immigration Resources for Partners & Families page!](#)

Focus Area Updates

Working in partnership with others, First 5 Contra Costa aims to change systems of services and supports through three focus areas—Early Care and Education, Early Intervention, and Strengthening Families—to better meet the needs of young children and their families.

Early Care and Education

*Our **Early Care and Education (ECE)** focus area aims to ensure that all children have access to high-quality, affordable child care and early learning.*

Supporting Black Expecting Families in East County with 100 Welcome Totes

As part of our Ready Kids East County (RKEC) effort and in partnership with the Contra Costa County Library, we provided 100 totes to community partners working directly with Black families. The totes included a children's board book written and illustrated by a Black artist, a parenting book by a Black author, and information about First 5 Contra Costa and library services that promote early literacy, family resilience, and support.

Coming Up Next

2025 RKEC Big Table Event: Join us Wednesday, October 29 at 5:30pm at the Antioch Community Center for an evening of connection, reflection, and action to strengthen culturally-centered family engagement and equity for Black and African American families. The event will include a keynote speaker and opportunities for participants to reflect on their current practices and identify actionable next steps to strengthen equity and inclusion. [Please RSVP for the event by clicking here.](#)



Early Intervention

*Our **Early Intervention (EI)** focus area aims to ensure that families have access to prevention and early intervention supports and services that foster the optimal development of all children.*

Triple P Baby Classes Now Available at First 5 Centers

COPE Family Support Services has launched its first Triple P (also known as Positive Parenting Program) class specifically targeting parents of newborns to 12-month-olds. This new offering in our county called, Triple P for Baby, focuses on the transition to parenthood, while the Triple P classes previously offered at the First 5 Centers offer strategies for children up to age 12 and address common behavioral and developmental challenges beyond infancy. The new class supports expectant parents with practical tools for baby care, partner support, and coping skills to ease the transition into parenthood.

Coming Up Next:

Keep an eye out for First 5 Contra Costa's efforts to be featured in the Contra Costa Health newsletters, including our family resource centers and Help Me Grow care coordination.

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Strengthening Families

Our **Strengthening Families (SF)** focus area helps families build healthy relationships, strengthen support systems, and nurture their children's development.

Growing Something Truly Special at the Monument First 5 Center

The Monument First 5 Center Community Garden is officially open. What was once an unused outdoor space has been beautifully transformed into a welcoming garden where families with young children can come together to explore, play, and plant the seeds of connection. This vibrant new space is designed to inspire curiosity, foster community, and provide a regular destination for joyful, hands-on learning.



Coming Up Next:

This October, families will be celebrating the season with fun events at our First 5 Centers: Fall Fests on October 20 at Antioch, October 28 at Delta, and October 31 at West County, plus a Fall Field Trip on October 31 with Monument. In addition, the East County First 5 Center held a successful event on October 18 called "CARE Closet," in which families can donate or pick out gently used clothes, shoes, and other items.

Parent Advisory Group

The **Parent Advisory Group (PAG)** is a new effort to intentionally center parent voices in First 5 Contra Costa's efforts, and to support parents as early childhood advocates.

Parent Advisory Group Doubles in Size for FY25–26

The Parent Advisory Group expanded this fiscal year, growing from 9 to 20 parents and caregivers to strengthen the community voice in our work. The first meeting was held on Saturday, September 27 and focused on providing context about how our agency operates, including the what, why, and how behind our mission and programs. The next quarterly meeting will be in December.





October 23, 2025

To the Board of Commissioners
First 5 Contra Costa Children and Families Commission
Concord, California

We have audited the financial statements of First 5 Contra Costa Children and Families Commission, a component unit of the County of Contra Costa, California (Commission) as of and for the year ended June 30, 2025, and have issued our report thereon dated October 23, 2025. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and Government Auditing Standards

As communicated in our letter dated May 21, 2025, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Commission solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding internal controls in our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated October 23, 2025.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

As stated in our auditor's report, professional standards require us to design our audit to provide reasonable assurance that the financial statements are free of material misstatement whether caused by fraud or error. In designing our audit procedures, professional standards require us to evaluate the financial statements and assess the risk that a material misstatement could occur. Areas that are potentially more susceptible to misstatements, and thereby require special audit considerations, are designated as "significant risks." We have identified the following as significant risks:

- **Management Override of Internal Control** – Professional standards require auditors to address the possibility of management overriding internal controls. Accordingly, we identified as a significant risk that management of the County may have the ability to override controls that the organization has implemented. Management may override the organization's controls in order to modify the financial records with the intent of manipulating the financial statements to misstate the County's financial performance or with the intent of concealing fraudulent transactions.
- **Significant Estimates** – Professional standards require auditors to contemplate significant estimates as significant risks due to the judgmental nature of the assumptions and inputs to determine the potential impact those assumptions may have on the amounts reported for the estimates. We have currently identified the amounts reported related to the Commission's pension plan and other post-employment benefit plans to be significant estimates.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Commission is included in Note 1 to the financial statements. As discussed in Notes 1 and 15 to the financial statements, the Commission has changed accounting policies related to accounting for compensated absences to adopt the provision of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Accordingly, the accounting change has been retrospectively applied to the financial statements beginning July 1, 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are related to the net pension liability and the net other postemployment benefits (OPEB) liability.

Management's estimates of the net pension liability and the net OPEB liability, and related deferred inflows and outflows of resources are based on actuarial valuations. We evaluated the key factors and assumptions used to develop the estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Commission's financial statements relate to:

- As disclosed in Note 12 to the financial statements, the valuation of the Commission's net pension liability and related deferred outflows and inflows of resources are sensitive to the underlying actuarial assumptions used including, but not limited to, the investment rate of return and discount rate. As disclosed in Note 12, a one percent increase or decrease in the discount rate has a material effect on the Commission's net pension liability.
- As disclosed in Note 13 to the financial statements, the valuation of the Commission's net other postemployment benefits (OPEB) liability and related deferred outflows and inflows of resources are sensitive to the underlying actuarial assumptions used including, but not limited to, the investment rate of return, the discount rate, and the healthcare cost trend rate. As disclosed in Note 13, a one percent increase or decrease in the discount rate or the healthcare cost trend rate has a material effect on the Commission's net OPEB liability. As disclosed in Note 15 to the financial statements, the Commission recognized an adjustment to beginning net position of Governmental Activities on the government-wide financial statements to recognize the impact of implementing GASB Statement No 101, Compensated Absences.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

The attached Schedule of Corrected Misstatements summarizes misstatements that were brought to the attention of, and corrected, by management. There were no uncorrected misstatements identified as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the the Commission's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. As described in Note 15 to the financial statements, due to the adoption of GASB Statement No. 101, *Compensated Absences*, the Commission restated opening balances as of July 1, 2024. The purpose of the paragraph is to draw attention to the disclosures for the adoption of the standards update. We have included an emphasis of matter in our report regarding this restatement. We did not modify our opinion related to this matter.

Representations Requested from Management

We have requested certain written representations from management which are included in the management representation letter dated October 23, 2025.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Commission, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Commission's auditors.

This report is intended solely for the information and use of the Commissioners and management of the Commission and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Sacramento, California

First 5 Contra Costa
Schedule of Corrected Misstatements
Year Ended June 30, 2025

Number	Opinion Unit(s)	Account/Description	Debit	Credit
1	General Fund / Governmental Activities	Grants and contracts payable to related parties	\$ 124,504	\$ -
		Accounts payable	-	42,889
		Grants and contracts payable	-	81,615

(To reclassify liabilities to proper accounts for fiscal year 2025)

Financial Statements

For the Year Ended June 30, 2025

First 5 Contra Costa Children and Families Commission

(a Component Unit of the County of Contra Costa, California)

First 5 Contra Costa Children and Families Commission

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Independent Auditor's Report

To the Board of Commissioners
First 5 Contra Costa Children and Families Commission
Concord, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the general fund of the First 5 Contra Costa Children and Families Commission (Commission), a component unit of the County of Contra Costa, California as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and general fund of the First 5 Contra Costa Children and Families Commission, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Adoption of New Accounting Standard

As discussed in Note 15 to the financial statements, the Commission has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025. Accordingly, a restatement has been made to the governmental activities net position as of July 1, 2024, to restate beginning net position. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedule, the schedule of the Commission's proportionate share of the net pension liability/(asset), schedule of pension contributions, schedule of changes in the Commission's net other postemployment benefits (OPEB) and related ratios, and the schedule of the Commission's OPEB contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The schedule of expenses by fund source and net position of the California Children and Families Commission (CCFC) Funds for First 5 Programs and Activities (schedule) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report October 23, 2025, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Commission's internal control over financial reporting and compliance.



Sacramento, California
October 23, 2025

This Management Discussion and Analysis is intended to serve as a narrative overview of the financial activities of First 5 Contra Costa Children and Families Commission (Commission) for the year ended June 30, 2025. This information should be read in conjunction with the financial statements and the notes to the financial statements (beginning on page 11).

Fiscal Year 2025 Financial Highlights

Financial highlights of the year include the following:

At the close of fiscal year (FY) 2024-25, the Commission's assets plus deferred outflows exceeded its liabilities plus deferred inflows by \$18,408,519 (net position), a decrease of \$1,647,575 (8.2%) from the previous year. Of this amount, \$1,381,405 was attributable to a reduction in deferred outflows of resources for pension and for other post-employment benefits (OPEB). Unrestricted net position of \$15,321,561 is available to meet the Commission's ongoing obligations.

Total Commission revenues for FY 2024-25 equaled \$9,717,677, a decrease of \$103,150 (1.1%) from the prior year. The revenue consisted of Contra Costa's Propositions 10 and 56 tax allocations by birth rate, the California Electronic Cigarette Excise Tax (CECET), and project specific funding from First 5 California and other public contracts including First 5 California IMPACT Legacy, IMPACT HUB, Quality Counts California (QCC), California State Preschool Program (CSPP), the Children & Youth Behavioral Health Initiative (CYBHI), Children with Disabilities Inclusion funding (Measure X), other foundation grants, and interest income.

Contra Costa's FY 2024-25 Proposition 10 tax revenue of \$4,095,311 decreased 16.3% from the previous year's total of \$4,894,409. This decrease is similar to decreases across the State in Prop 10 revenue, as well as ongoing decreases in Prop 56 revenue, corresponding with the decline in tobacco use due to the two dollar per pack tobacco tax, as well as the passage of Prop 31, the flavor ban. When Prop 56 passed, it included an annual backfill to Prop 10 to make up for the anticipated loss of cigarette tax revenue. First 5 Contra Costa received a Prop 56 backfill payment in FY 2024-25 of \$1,789,558, a decrease of 7.0% from last year's total of \$1,925,267. CECET resulted in \$73,842 in revenue, a decrease of \$67,330 (47.7%) from the previous year's total of \$141,172, due to having received only three fiscal quarters of revenue at the time of publication.

Total expenses for FY 2024-25 were \$11,317,727, an increase of \$939,254 (9.1%) from the previous year. The increase during FY 2024-25 can largely be attributed to increases in spending at the program level, including increases of \$773,392 in Early Intervention and \$366,781 in Strengthening Families, which increases were offset by year over year savings in Salaries and Benefits of \$241,719 due to vacant positions that were not filled.

During FY 2024-25, total Commission revenues of \$9,717,677 exceeded adopted budgeted revenues of \$9,273,160 by \$444,517 while actual expenditures of \$10,742,426 were less than the adopted budget amount of \$12,512,370 by \$1,769,944. These variances reduced the need to draw down reserves from the budgeted amount by more than \$2.2 million, from \$3,239,210 to \$1,024,749. After accounting for Other Financing Sources (uses) of \$53,190, the net reduction to fund balance totals \$971,559, leaving a fund balance of \$16,940,021 at FY 2024-25 year-end.

Overview of the Financial Statements

The Commission's financial report includes:

1. The basic financial statements, which include the government-wide financial statements and the fund financial statements,
2. Notes to the financial statements,
3. Required supplementary information, and
4. Other supplementary information.

Government-Wide Financial Statements

The government-wide financial statements provide a broad overview of the Commission's activities as a whole and are comprised of the statement of net position and the statement of activities. The statement of net position provides information about the financial position of the Commission on the full accrual basis, similar to that used in the private sector. It shows the Commission's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. The statement of activities provides information about the Commission's revenues and all its expenses, also on a full accrual basis, and explains in detail the change in net position for the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance related legal requirements. All the Commission's activities are accounted for in the general fund.

The fund financial statements report essentially the same functions as those reported in the government-wide financial statements. However, unlike the government-wide financial statements, the fund financial statements report the Commission's operations in more detail and focus primarily on the short-term activities of the Commission. The fund financial statements are prepared on the modified accrual basis and measure only current revenues, expenditures and fund balances; they exclude capital assets and long-term liabilities.

Notes to the Finance Statement

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and general fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain other information concerning the Commission's finances.

First 5 Contra Costa Children and Families Commission
Management's Discussion and Analysis
June 30, 2025

The following is a summary of the Commission's Statement of Net Position comparing balances at June 30, 2025 to June 30, 2024.

	Governmental Activities		
	2025	2024	Change
Assets			
Current and other assets	\$ 18,062,526	\$ 18,651,852	\$ (589,326)
Capital assets, net of depreciation/amortization	6,331,709	6,841,733	(510,024)
Total Assets	24,394,235	25,493,585	(1,099,350)
Deferred outflows of resources	1,455,288	1,721,397	(266,109)
Liabilities			
Current liabilities	1,474,985	1,067,220	407,765
Noncurrent liabilities	5,565,928	6,819,229	(1,253,301)
Total Liabilities	7,040,913	7,886,449	(845,536)
Deferred inflows of resources	400,091	387,735	12,356
Net Position			
Net investment in Capital Assets	3,086,958	3,332,668	(245,710)
Unrestricted	15,321,561	16,723,426	(1,401,865)
Total Net Position	\$ 18,408,519	\$ 20,056,094	\$ (1,647,575)

The Commission's net position in governmental activities decreased from \$20,056,094 in FY 2023-24 to \$18,408,519 in FY 2024-25. The \$1,647,575 decrease in net position was due to a slight decrease in total revenue exacerbated by a significant increase in total spending in FY 2024-25. Current and other assets total \$18,062,526, a decrease of \$589,326 (3.2%) from the previous year.

The most significant portion of the Commission's assets is in cash and investments (\$15,693,280). These assets decreased \$355,931 from the prior year due in part to a decrease in Prop 10 and Prop 56 revenues. Cash is maintained in Contra Costa County's cash and investment pool where interest earned on the Commission's balance gets apportioned to the Commission.

Another component of current assets is the due from other governments balance, which had a balance of \$1,610,823 at June 30, 2025. These receivables are due from the State for the May and June 2025 Prop 10 tax revenues (\$670,544), SMIF (\$42,695), CECET (\$22,929), First 5 California IMPACT Legacy Hub (HUB) grant (\$18,944), First 5 California Regional Technical Assistance for Home Visiting Coordination and Integration (RTA-HVC) grant (\$63,695), the First 5 California IMPACT Legacy grant (\$200,146), Contra Costa County Measure X Children with Disabilities Inclusion project (\$326,976), California State Preschool Program grant (\$85,850), Quality Counts California (\$128,752), and the CocoKids Memorandum of Understanding (\$50,292).

First 5 Contra Costa Children and Families Commission

Management's Discussion and Analysis

June 30, 2025

Current liabilities for the year ending June 30, 2025 increased \$407,765 from the prior year due largely to increases in grants and contracts payable (\$321,557) and grants and contracts payable to related parties (\$507). Current liabilities at June 30, 2025 also include accounts payable to vendors of \$195,332, 4th quarter contract payments of \$644,872 payable to service providers and related parties, accrued wages and benefits of \$282,301, the current portions of compensated absences of \$39,422, lease liability of \$296,126, and SBITA liability of \$16,932.

Noncurrent liabilities totaling \$5,565,928 consist of the long-term portion of accrued vacation and sick time more likely than not to be used in the amount of \$354,794, lease liability of \$2,912,552, net pension liability of \$1,923,632, net OPEB liability of \$355,809, and SBITA liability of \$19,141.

In 2025, the Commission reported deferred outflows of resources and deferred inflows of resources in the amounts of \$1,455,288 and \$400,091 respectively. The deferred outflows/(inflows) of resources represent amounts that will increase/(decrease) pension and OPEB expenses in subsequent periods.

The following is a summary of the Commission's revenue, expense, and change in net position comparing FY 2024-25 with FY 2023-24:

	Governmental Activities		
	2025	2024	Change
Program Revenues			
Prop 10 Tax	\$ 4,095,311	\$ 4,894,409	\$ (799,098)
CA Electronic Cigarette Tax	73,842	141,172	(67,330)
Prop 56	1,789,558	1,925,267	(135,709)
Grant income	2,912,199	1,952,712	959,487
Total Program Revenues	8,870,910	8,913,560	(42,650)
General Revenues			
Interest income	690,769	752,990	(62,221)
Unrealized gain	97,914	125,985	(28,071)
Rental Income	34,700	23,294	11,406
Miscellaneous revenue	23,384	5,000	18,384
Total Revenues	9,717,677	9,820,829	(103,152)
Expenses			
Child development	11,147,873	10,177,232	970,641
Interest expense	169,854	201,241	(31,387)
Total Expenses	11,317,727	10,378,473	939,254
Change in net position	(1,600,050)	(557,644)	(1,042,406)
Net Position, beginning, as previously reported	20,056,094	20,613,738	(557,644)
Adjustments (Note 15)	(47,525)	-	(47,525)
Net Position, beginning, as restated	20,008,569	20,613,738	(605,169)
Net position, end of year	\$ 18,408,519	\$ 20,056,094	\$ (1,647,575)

Although Proposition 10 and Proposition 56 revenues both experienced significant declines totaling \$934,807 (\$799,098, 16.3% and \$135,709, 7.0%) respectively, these losses were offset by increases in grant income of \$959,487 (49.1%). Therefore, the difference is found on the expenditure side.

The Commission's total expenses increased \$939,254 (9.1%) from the prior year. Expenses aligned with the Commission's 2023-2026 Strategic Plan. The Early Intervention focus area continued training and engagement of early intervention providers, child care providers, pediatricians, and parents on developmental screenings, developmental playgroups, and parent education. With funding from the Children and Youth Behavioral Initiative grant, Triple P Positive Parenting seminars for parents were expanded.

The Early Childhood Education (ECE) focus area continued professional development and training of early care and education providers through Communities of Practice, webinars, and site-specific coaching, with services focused on continuous quality improvement of early learning settings. The ECE focus area continued efforts through the Family Child Care Partner Program to provide ongoing peer-to-peer guidance, support, and mentoring to family child care providers. First 5 Contra Costa concluded a community engagement and landscape analysis to develop a plan for enhancing inclusion supports for the child care field, and then significantly expanded its professional development and supports to help child care providers adopt inclusion practices to better serve children with disabilities, developmental delays or other socio-emotional needs. ECE efforts additionally continued capacity building for educators and parents related to early literacy, language development, and social emotional learning. First 5 Contra Costa also led a stakeholder-engagement process to advocate for and support a research-based study to design a child care wage augmentation program; the organization is now overseeing the evaluation of the Child Care Wage Boost pilot.

A new and expanded focus of the Ready Kids East County effort began with the goal of increasing school readiness and family resiliency for families with black and African American children under age six. The effort began focusing on even younger children and is working to include more service providers working directly with expectant parents and families with infants. The effort continues to involve partnerships with school districts, county departments, community-based organizations, city leaders, other parent advocates, and educators.

The Strengthening Families focus area continues to ensure in-person and virtual classes, events, child development screenings, diaper and car seat giveaways, and activities for families at the five First 5 Centers across the county. Additionally, Community Resource Specialists at the First 5 Centers continued to assist and connect parents to community services. This fiscal year, First 5 Contra Costa also concluded a landscape analysis of home visiting programs operating in the county, and a multi-part learning series that engaged representatives from a variety of home visiting programs in discussions about possible ways to collaborate to enhance access, quality and impact of existing programs. First 5 Contra Costa also held four quarterly home visiting trainings for large groups of home visitors on topics of interest. Finally, First 5 Contra Costa launched a new Parent Advisory Group comprised of parents with young children to provide input on First 5 Contra Costa's efforts, and to enhance their knowledge of the local early childhood landscape.

At the end of FY 2024-25, net position had decreased from FY 2023-24 by \$1,647,575.

Financial Analysis of the Governmental Fund

Fluctuations in the Commission's general fund revenues and expenditures from the year ending June 30, 2025, are similar to those in the government-wide statement of activities. Differences between the general fund and the governmental activities arise primarily due to differences in accounting treatment for compensated absences, retirement and other post-employment benefits, and capital assets resulting from the governmental fund financial statements being reported on a modified accrual basis of accounting.

General Fund Budgetary Highlights

FY 2024-25 General Fund revenue receipts totaled \$9,717,677 or \$444,517 (4.8%) more than budget. Collectively, Proposition 10, Proposition 56, and CECET revenues totaled \$5,958,711, falling short of budget by \$651,169 (9.9%) due to declining use of tobacco products and declining birthrates; CECET was particularly low for FY 2024-25, because only three quarters of revenue had been received by the time of publication. Expenditures totaled \$10,742,426 and were under budget by \$1,769,944 (14.1%). Total expenditures were less than budgeted because of under-spending in program areas due to staff vacancies and other changes.

Capital Assets and Debt Administration

Capital Assets

The Commission's capital assets consist of land, buildings and improvements, furniture and fixtures, and right-to-use lease and subscription-based IT arrangement assets. Total capital assets equal \$6,331,709, with the only addition being entering into a subscription based information technology arrangement for \$53,190. The Commission recognized \$167,277 in depreciation expense for buildings and improvements, and furniture and fixtures. The Commission also recognized net amortization of \$357,067 for the right-to-use leased assets (office space) and \$38,870 for subscription IT assets. This all resulted in a net change in capital assets of \$510,024.

Long Term Obligations

The Commission's long-term obligations consist of lease liability and subscription-based IT arrangements that span multiple fiscal years at year-end. These "noncurrent liabilities" decreased \$317,504 from the previous year, largely due to regularly scheduled debt service payments on the liabilities.

Economic Outlook and Major Initiatives

California Proposition 10 tobacco tax revenues decreased in FY 2024-25 as tobacco sales continued a downward trajectory. Prop 10 income will continue to drop in FY 2025-26 and be accelerated by the passage of Proposition 31. And, while Prop 56 was intended to serve as backfill monies for anticipated Prop 10 decline, these revenues do not fill the gap entirely, especially as the impact of Prop 31 is anticipated to be fully experienced in FY 2025-26 after which there will be a leveling off. Capital Matrix Consulting, who First 5 California retains to provide revenue projections statewide, "conservatively" estimates that statewide revenue totals will decline 6.0% each year from FY 2025-26 through FY 2027-28, after which the decline is projected to slow to 3.6% for the next two fiscal years as tobacco consumption declines in California.

California's long-term trend of a declining birth rate is projected to continue, dropping from 10.5 births per 1,000 people in 2025 to 8.0 per 1,000 by 2070. In 2025, Contra Costa County is also expected to experience a declining birth rate, a decrease of 2.1% from 2024 to 2025, and a decrease of 1.3% from 2025 to 2026, before leveling off in 2027 to a decrease of only 0.2%. These decreases translate into corresponding revenue declines totaling 12.9%, from \$6,403,954 in FY 2025-26 to \$5,849,417 in FY 2028-29 (approximately 3.2% per year).

The Commission ended the 2024-25 fiscal year by drawing down reserves totaling \$971,559 to accomplish its programming as outlined in the 2023-2026 Strategic Plan.

Contacting the Commission's Financial Management

This annual report is intended to provide the community with a general overview of the Commission's finances. Questions about this report should be directed to the Commission's Executive Director at 4005 Port Chicago Hwy, Suite 120, Concord, California 94520.

First 5 Contra Costa Children and Families Commission
Statement of Net Position
June 30, 2025

	<u>Governmental Activities</u>
Assets	
Current Assets	
Cash and investments	\$ 15,693,280
Accounts receivable	144,850
Due from other governments	1,610,823
Prepaid items	<u>506,573</u>
Total Current Assets	<u>17,955,526</u>
Noncurrent Assets	
Note receivable	107,000
Capital assets not being depreciated	331,538
Capital assets being depreciated, net	3,209,893
Right to use leased assets being amortized, net	2,750,385
Right to use subscription IT assets being amortized, net	<u>39,893</u>
Total Noncurrent Assets	<u>6,438,709</u>
Total Assets	<u>24,394,235</u>
Deferred outflows of resources	
Deferred outflows related to pensions	1,089,206
Deferred outflows related to OPEB	<u>366,082</u>
Total Deferred Outflows of Resources	<u>1,455,288</u>
Liabilities	
Current Liabilities	
Accounts payable	195,332
Grants and contracts payable	634,073
Grants and contracts payable to related parties	10,799
Accrued wages and benefits	282,301
Compensated absences, current portion	39,422
Lease liability, current portion	296,126
SBITA liability, current portion	<u>16,932</u>
Total Current Liabilities	<u>1,474,985</u>
	(Continued)

First 5 Contra Costa Children and Families Commission

Statement of Net Position

June 30, 2025

	Governmental Activities
Noncurrent Liabilities	
Compensated absences	\$ 354,794
Net pension liability	1,923,632
Net OPEB liability	355,809
Lease liability	2,912,552
SBITA liability	19,141
Total Noncurrent Liabilities	5,565,928
Total Liabilities	7,040,913
Deferred inflows of resources	
Deferred inflows related to pensions	219,866
Deferred inflows related to OPEB	180,225
Total Deferred Inflows of Resources	400,091
Net position	
Net investment in capital assets	3,086,958
Unrestricted	15,321,561
Total Net Position	\$ 18,408,519

First 5 Contra Costa Children and Families Commission

Statement of Activities

For the Year Ended June 30, 2025

		Program Revenues	Net (Expense) Revenue and Changes in Net Position
		Operating Grants And Contributions	Governmental Activities
<u>Governmental Activities</u>	<u>Expenses</u>		
Child development	\$ 11,147,873	\$ 8,870,910	\$ (2,276,963)
Interest expense	169,854	-	(169,854)
Total Governmental Activities	<u>\$ 11,317,727</u>	<u>\$ 8,870,910</u>	<u>(2,446,817)</u>
General Revenues			
Investment income			690,769
Unrealized gain			97,914
Rental income			34,700
Miscellaneous			23,384
Total General Revenues			<u>846,767</u>
Change in Net Position			(1,600,050)
Net Position, beginning, as previously reported			20,056,094
Change in accounting principle (Note 15)			<u>(47,525)</u>
Net Position, beginning, as restated			<u>20,008,569</u>
Net Position, June 30			<u>\$ 18,408,519</u>

First 5 Contra Costa Children and Families Commission

Governmental Fund Balance Sheet

June 30, 2025

	General Fund
Assets	
Cash and investments	\$ 15,693,280
Accounts receivable	144,850
Due from other governments	1,610,823
Prepaid items	506,573
Note receivable	107,000
	<u>107,000</u>
Total Assets	<u>\$ 18,062,526</u>
Liabilities and Fund Balances	
Liabilities	
Accounts payable	\$ 195,332
Grants and contracts payable	634,073
Grants and contracts payable to related parties	10,799
Accrued wages and benefits	282,301
	<u>282,301</u>
Total Liabilities	<u>1,122,505</u>
Fund Balances	
Nonspendable	613,573
Committed	4,498,325
Assigned	3,520,975
Unassigned	8,307,148
	<u>8,307,148</u>
Total Fund Balances	<u>16,940,021</u>
Total Liabilities and Fund Balances	<u>\$ 18,062,526</u>

First 5 Contra Costa Children and Families Commission
Reconciliation of Governmental Fund Balance Sheet to the Statement of Net Position
June 30, 2025

Fund balance of governmental fund	\$ 16,940,021
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets, net of accumulated depreciation/amortization, used in governmental activities are not financial resources and, therefore, are not reported in the funds.	6,331,709
Deferred inflows and outflows of resources related to the net pension liability are not due and payable in the current period and therefore, are not reported in the funds:	
Deferred outflows of resources related to pensions	1,089,206
Deferred inflows of resources related to pensions	(219,866)
Deferred inflows and outflows of resources related to the net OPEB liability are not due and payable in the current period and therefore, are not reported in the funds:	
Deferred outflows of resources related to OPEB	366,082
Deferred inflows of resources related to OPEB	(180,225)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Net pension liability	(1,923,632)
Net OPEB liability	(355,809)
Lease liability	(3,208,678)
SBITA liability	(36,073)
Compensated absences	(394,216)
Net Position of Governmental Activities	<u><u>\$ 18,408,519</u></u>

First 5 Contra Costa Children and Families Commission
Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2025

	<u>General Fund</u>
Revenues	
Prop 10 Tobacco Tax	\$ 4,095,311
CA Electronic Cigarette Excise Tax	73,842
Prop 56	1,789,558
Grant income	2,912,199
Interest income	690,769
Unrealized gain	97,914
Rental income	34,700
Other revenue	23,384
	<u>9,717,677</u>
Total Revenues	
Expenditures	
Current	
Program Expenditures	
Early care and education	669,585
Family support	3,128,010
Early intervention	1,508,866
Policy advocacy & communication strategies	35,529
Salaries and employee benefits	2,799,728
Other program expenditures	402,477
Evaluation	
Salaries and employee benefits	264,416
Other evaluation expenditures	183,402
Administrative	
Salaries and employee benefits	1,209,865
Capital outlay	53,190
Debt Service	
Principal	317,504
Interest	169,854
	<u>10,742,426</u>
Total Expenditures	
Excess (deficiency) of revenues over (under) expenditures	<u>(1,024,749)</u>
Other financing sources (uses)	
SBITA issued	53,190
	<u>53,190</u>
Total Other Financing Sources (Uses)	
Net change in fund balance	(971,559)
Fund balance, July 1	<u>17,911,580</u>
Fund balance, June 30	<u>\$ 16,940,021</u>

First 5 Contra Costa Children and Families Commission
Reconciliation of the Change in Fund Balance to the Statement of Activities
For the Year Ended June 30, 2025

Net change in fund balance - total governmental fund \$ (971,559)

Amounts reported for governmental activities in the Statement of Activities differs from the amounts reported in the Statement of Revenues, Expenditures and Changes in Fund Balance because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the costs of capital assets are expensed over their estimated useful lives as depreciation expense.

Capital outlay	53,190
Depreciation/amortization expense	(563,214)

Compensated absences expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This amount represents the net change in the compensated absences liability. (81,075)

The issuance of long-term debt (e.g., bonds, leases) provides current resources to governmental funds, while the repayment of long-term debt principal is an expenditure in the governmental funds. The issuance of debt increases long-term liabilities and the repayment reduces long-term liabilities in the statement of net position.

Leases and SBITA liability principal payments	317,504
Issuance of SBITA	(53,190)

Governmental funds report OPEB plan contributions as expenditures. However, in the Statement of Activities, OPEB expense is measured as the change in net OPEB liability and the amortization of deferred outflows and inflows related to OPEB. The following amounts reflect changes in the OPEB related balances.

Change in deferred outflows related to OPEB	(154,012)
Change in deferred inflows related to OPEB	(21,392)
Change in net OPEB liability	107,901

Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, pension expense is measured as the change in net pension liability and the amortization of deferred outflows and inflows related to pensions. The following amounts reflect changes in the pension related balances.

Change in deferred outflows related to pensions	(1,227,393)
Change in deferred inflows related to pensions	9,036
Change in net pension liability	984,154

Change in net position of governmental activities	\$ (1,600,050)
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Note 1 - Summary of Significant Accounting Policies**Reporting Entity**

First 5 Contra Costa Children and Families Commission (Commission) was established by the Contra Costa County Board of Supervisors. The Commission was established to implement the provisions of Proposition (Prop) 10 adopted on November 3, 1998. The Board of Supervisors originally appointed nine Commission members and nine Alternate members on September 1, 1999. One of the Commissioner positions will be occupied by a member of the County Board of Supervisors and will serve a one-year term, three of the Commissioner positions will be occupied by employees of Contra Costa County and will serve without term limit, and the remaining five Commissioner positions will consist of representatives from various organizations or recipients of services and will be appointed for three-year terms. The mission of the Commission is, in partnership with parents, caregivers, communities, public and private organizations, advocates and county government, to foster optimal development of children, prenatally to five years of age. The Contra Costa County Board of Supervisors appoints members of the Commission and may remove any Commission member at any time. The Commission is considered a component unit of the County of Contra Costa, California.

Basis of Accounting and Measurement Focus

The basic financial statements of the Commission are composed of the following:

- Government-wide financial statements,
- Fund financial statements, and
- Notes to the basic financial statements.

Government-Wide Financial Statements

Government-wide financial statements consist of the statement of net position and the statement of activities. These statements are presented on an economic resources measurement focus. All economic resources and obligations of the reporting government are reported in the financial statements.

The government-wide financial statements have been prepared on the accrual basis of accounting. Under the accrual basis of accounting all assets, liabilities and deferred outflows and inflows of the Commission are included on the statement of net position. The difference between the Commission's assets, liabilities, deferred outflows of resources and deferred inflows of resources is net position. Net position represents the resources the Commission has available for use in providing services. The Commission's spending priority is to spend restricted resources first, followed by unrestricted. The Commission's net position is classified as follows:

Net investment in Capital Assets – This amount represents the Commission's capital assets, net of accumulated depreciation and leased and subscription assets, net of accumulated amortization.

Restricted Net Position – This category represents restrictions imposed on the use of the Commission's resources by parties outside of the government or by law through constitutional provisions or enabling legislation.

Unrestricted – This category represents neither restrictions nor investment in capital assets and may be used by the Commission for any purpose though they may not be necessarily liquid.

Fund Financial Statements

The fund financial statements consist of the balance sheet and the statement of revenues, expenditures and changes in fund balance of the Commission's general fund. These statements are presented on a current financial resources measurement focus. Generally, only current assets and current liabilities are included on the balance sheet. The statement of revenues, expenditures and changes in fund balance for the governmental fund generally presents increases (revenues) and decreases (expenditures) in current resources. All operations of the Commission are accounted for in the general fund.

The fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Prop 10 Tobacco Tax revenue, Prop 56 revenue, California Electronic Cigarette Excise Tax, interest and certain grant payments are accrued when their receipt occurs within ninety (90) days after the end of the accounting period so as to be both measurable and available. Expenditure-driven grant revenues are accrued when their receipt occurs within one year.

Capital Assets

Capital assets, leased assets, and subscription assets are not considered to be financial resources and therefore, are not reported as assets in the fund financial statements. Capital assets are recorded at cost, net of accumulated depreciation in the government-wide financial statements.

The Commission capitalizes assets with a cost in excess of \$5,000 and a useful life greater than one year. The Commission depreciates capital assets using a straight-line method over the estimated useful life of each asset. Leased assets are reported as "right to use" assets and are amortized over the shorter of the asset's useful life or the lease term. The estimated useful life used for the depreciable capital assets and leased assets, ranges from 5 to 35 years.

Right to use leased assets are recognized at the lease commencement date and represent the Commission's right to use an underlying asset for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the leased asset into service. Right to use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period varies from 3 to 11 years.

Subscription assets are recognized at the subscription commencement date and represent the Commission's right to use the underlying IT asset for the subscription term. Subscription assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any incentives received at or before the commencement of the term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. They are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method. The amortization period varies from 2 to 3 years.

Compensated Absences

Compensated absence obligations are considered long-term in nature and are reported in the fund financial statements as expenditures in the period paid or when due and payable at year-end under the modified accrual basis of accounting. The compensated absences have been accrued in the government-wide financial statements and are included in long-term liabilities.

Compensated absences consist of employee earned vacation time, personal holiday time, and sick time and are accrued by the Commission when earned by the employee. Unused vacation time and personal holiday may be accumulated up to a specified maximum and are paid at the time of termination from Commission employment. Sick time accrued is for time that has been earned, is available for use, and is more likely than not to be used in the future.

Grants and Contracts Payable

The grants and contracts payable account represents amounts due to the contracted services providers implementing programs as part of the three focus areas established in the strategic plan approved by the Commission. The payable balance consists of the fiscal year's fourth quarter payments due to the service providers.

Post-Employment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the First 5 Contra Costa Retiree Benefits Plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the First 5 Contra Costa Children and Families Commission's Contra Costa County Employees' Retirement Association (CCCERA) plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CCCERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Cash and Investments

The Commission maintains all of its cash in the Contra Costa Treasury. The County's investment pool operates in accordance with appropriate state laws and regulations. The method used to determine the value of the participant's equity withdrawn is based on the book value, amortized cost, plus accrued interest, multiplied by the Commission's percentage at the date of such withdrawal, which approximates fair value.

The Commission categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant to other observable inputs; Level 3 inputs are significant unobservable inputs. The Commission does not have any investments that are measured using Level 3 inputs. Money market investments that have remaining maturity at the time of purchase of one-year or less and guaranteed investment contracts are measured at amortized cost.

The Commission is a participant in the Contra Costa Treasurer's Pool (County Pool). The County Pool was rated by Standard & Poor's (S&P) on September 30, 2024. The County Pool was assigned a fund credit quality rating of "AAAf" and a fund volatility rating of "S1+". The Contra Costa County Treasury Oversight Committee conducts County Pool oversight. Cash on deposit in the County Pool is stated at fair value. The County Pool values participant shares on an amortized cost basis during the year and adjusts to fair value at year-end. For further information regarding the County Pool, refer to the County of Contra Costa Annual Financial Report.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Fund Balance

Fund balance is classified based on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The Commission has established the following classifications and definitions of fund balance for the year ended June 30, 2025:

Nonspendable – Resources that cannot be spent because they are not in an expendable form (e.g., prepaid items) or must be maintained intact (e.g. endowment principal).

Restricted – Resources that are constrained to specific purposes by an external provider (e.g. grantors, contributors, governmental laws and regulations) or by constitutional provisions or enabling legislation.

Committed – Resources with self-imposed limitations and require both a formal action of the highest level of decision-making authority (Board of Commissioners) and the same formal action to remove or modify the limitations. The formal action for the Board of Commissioners is a vote to commit funds for a specific purpose.

Assigned – The assigned portion of fund balance reflects the Commission's intended use of resources, which can be established either by the Commission Board or the Executive Director. The "assigned" fund balance is similar to the "committed" fund balance, with the difference that Commission formal action is not necessary to assign funds or later modify or remove them. Assigned funds may include the appropriation of a portion of existing fund balance sufficient to eliminate a projected deficit in the subsequent year's budget or funding that has been set aside for previously executed legally enforceable contracts, such as a multi-year lease.

Unassigned – Resources that cannot be reported in any other classification.

The Commission's spending priority is to spend restricted fund balance first, followed by committed, assigned and unassigned fund balance.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position also reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. The Commission reports deferred outflows related to pensions and OPEB.

In addition to liabilities, the statement of net position also reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period. The Commission reports deferred inflows related to pensions and OPEB.

Effect of New Governmental Accounting Standards Board (GASB) Pronouncements

GASB Statement No. 101 – In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. As of July 1, 2024, the Commission adopted GASB Statement No. 101, *Compensated Absences*. The effect of the implementation of this standard on beginning net position is disclosed in Notes 3 and 15.

GASB Statement No. 102 – In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. Management has evaluated whether there are risk related to the Commission's vulnerabilities due to certain concentrations or constraints that require disclosure. No such risks were identified for the year ended June 30, 2025.

Note 2 - Cash and Investments

Cash and investments consisted of the following at June 30, 2025:

Cash in Contra Costa County Pool	\$ 15,692,780
Imprest cash	<u>500</u>
Total Cash and Investments	<u><u>\$ 15,693,280</u></u>

Investment Policy

The Commission adopted a resolution in February 2001 delegating investment authority to the Contra Costa County Treasurer (Treasurer) and specifying that the Commission “will continue to advise how the Children and Families Trust Funds are to be invested”. The Commission’s investment policy is to follow the County Pool’s guidelines, which limit investments to securities with maturities less than five years and require collateralization of deposits in excess of FDIC insurance. The Executive Director is authorized by the Commission’s Board approved Consolidated Financial Policies to invest in securities of varying maturity according to cash flow and long-term needs. Investments not specifically directed by the Commission to be invested separately are maintained with the Treasurer in the County investment pool (Pool). On a quarterly basis, the Treasurer allocates interest to participants based upon their average daily balances. Required disclosure information on the Pool regarding the classification of investments and other deposit and investment risk disclosures can be found in the County’s Annual Comprehensive Financial Report (ACFR). The County’s financial statements may be obtained by contacting the County of Contra Costa’s Auditor-Controller’s office at 625 Court Street, Martinez, California 94553. The Contra Costa County Treasury Oversight Committee oversees the Treasurer’s investments and policies. Investments held in the Pool are available on demand and are stated at their fair value.

Interest Rate Risk

Interest rate risk is the measurement of how changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the more sensitive to changes in market interest rates of its fair value. The County manages its exposure to declines in fair value of Pool investments by investing in securities that have a term remaining to maturity in less than five years, unless the legislative body has granted express authority to make that investment either specifically or as part of an investment program approved by the legislative body no less than three months prior to the investment. Information about the sensitivity of the fair value of the Commission investments to market interest rate fluctuations is provided in the following table.

As of June 30, 2025, the Commission had the following investments:

Investment	Fair Value	WAM Years
County Investment Pool	<u>\$ 15,692,780</u>	<u>0.69</u>
Total Investments	<u><u>\$ 15,692,780</u></u>	

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County Pool was assigned a fund credit quality rating of “AAAF” and a fund volatility rating of “S1+”.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a failure of the counterparty to a transaction, the Commission will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. At June 30, 2025, the Commissions’ deposits were not exposed to custodial credit risk as all funds were held in the County Pool, which is collateralized in accordance with State law.

Fair Value Measurements

The Commission categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs and Level 3 inputs are significant unobservable inputs. As of June 30, 2025, the Commission’s funds were invested in the Contra Costa County Investment Pool.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation.

Deposits and withdrawals are made on the basis of \$1 and not fair value, accordingly, the Commission’s proportionate share of investments in the Contra Costa County Investment Pool at June 30, 2025, of \$15,692,780 is an uncategorized input, not defined as a level 1, level 2 or level 3 input and approximates fair value. The carrying amount of deposits held with the County Pool was \$15,845,841 with the difference of \$153,061 representing outstanding checks.

Note 3 - Compensated Absences

Changes in the compensated absences liability for the fiscal year ended June 30, 2025, are summarized as follows:

	Balance June 30, 2024 As Restated	Net Change	Balance June 30, 2025	Amount Due within one year
Compensated Absences	\$ 313,141	\$ 81,075	\$ 394,216	\$ 39,422

First 5 Contra Costa Children and Families Commission

Notes to Financial Statements

June 30, 2025

Note 4 - Due from Other Governments

The due from other governments account represents amounts due to the Commission from the California Children and Families Commission ("State Commission") for Prop 10 related revenues and other governmental agencies. The amounts due to the Commission at June 30, 2025, were as follows:

Due from State Commission	
Prop 10 revenue for	
May 2025	\$ 319,922
June 2025	350,622
SMIF	42,695
California Electronic Cigarette Excise Tax	22,929
First 5 California IMPACT Legacy Hub (HUB) Grant	18,944
First 5 CA Regional Technical Assistance for Home Visiting Coordination & Integration Grant (RTA-HVC)	63,695
First 5 CA IMPACT Legacy Grant	200,146
Employment and Human Services Measure X Children with Disabilities Inclusion Project	326,976
California State Preschool Programs	85,850
Quality Counts California	128,752
CoCoKids Memorandum of Understanding	50,292
Total due from other governments	\$ 1,610,823

Note 5 - Notes Receivable

In November 2005, the Commission entered into a forgivable loan agreement with the Perinatal Council (now known as Brighter Beginnings) to acquire and renovate a property in Antioch, California to operate a First 5 Center on site. The Commission loaned to the Perinatal Council \$428,000 for a period of twenty years. The Commission agreed to forgive 25 percent of the loan on the 5th anniversary date of the issuance of the Certificate of Completion, 25 percent on the 10th anniversary, 25 percent on the 15th anniversary and 25 percent at the end of the loan term. The agreement was amended as of December 7, 2020, extending the term to December 1, 2026. The loan is secured by a Deed of Trust and recorded as a lien against the property. The loan does not bear interest unless there is a default by the Borrower, such as an unauthorized transfer of the property or change in the use of the site. The Commission does not anticipate receiving any cash payments from the borrower. The loan had an outstanding balance of \$107,000 as of June 30, 2025.

First 5 Contra Costa Children and Families Commission

Notes to Financial Statements

June 30, 2025

Note 6 - Capital Assets

Governmental activities	July 1, 2024	Additions	Deletions	June 30, 2025
Capital assets, not being depreciated				
Land	\$ 331,538	\$ -	\$ -	\$ 331,538
Total capital assets, not being depreciated	331,538	-	-	331,538
Capital assets, being depreciated:				
Buildings and improvements	4,198,414	-	-	4,198,414
Furniture and fixtures	260,291	-	-	260,291
Total capital assets being depreciated	4,458,705	-	-	4,458,705
Less accumulated depreciation for:				
Buildings and improvements	(967,981)	(125,998)	-	(1,093,979)
Furniture and fixtures	(113,554)	(41,279)	-	(154,833)
Total accumulated depreciation	(1,081,535)	(167,277)	-	(1,248,812)
Net capital assets being depreciated	3,377,170	(167,277)	-	3,209,893
Governmental activities capital assets, net	3,708,708	(167,277)	-	3,541,431
Right to use leased assets being amortized				
Right to use assets - office space and equipment	4,099,608	-	(231,552)	3,868,056
Total right to use leased assets being amortized	4,099,608	-	(231,552)	3,868,056
Less accumulated amortization for:				
Right to use assets - office space and equipment	(992,156)	(357,067)	231,552	(1,117,671)
Net right to use leased assets	3,107,452	(357,067)	-	2,750,385
Right to use Subscription IT assets being amortized				
Software subscriptions	68,194	53,190	(68,194)	53,190
Less accumulated amortization for:				
Software subscriptions	(42,621)	(38,870)	68,194	(13,297)
Net right to use subscription IT assets	25,573	14,320	-	39,893
Governmental activities capital assets, net	\$ 6,841,733	\$ (510,024)	\$ -	\$ 6,331,709

Depreciation and amortization expense for the year ended June 30, 2025, amounted to \$563,214 and is included in the child development function in the statement of activities.

First 5 Contra Costa Children and Families Commission

Notes to Financial Statements

June 30, 2025

Note 7 - Lease and SBITA Liabilities

Changes in lease & SBITA liabilities during the year ended June 30, 2025 are as follows:

Leases	July 1, 2024	Additions	Deletions	June 30, 2025	Due in One Year
Family resource centers	\$ 57,614	\$ -	\$ (22,088)	\$ 35,526	\$ 16,752
Admin office	3,418,328	-	(250,380)	3,167,948	275,948
Equipment	8,469	-	(3,265)	5,204	3,426
Subtotal Leases	3,484,411	-	(275,733)	3,208,678	296,126
Subscription IT liabilities	24,654	53,190	(41,771)	36,073	16,932
Total Lease and SBITA Liabilities	\$ 3,509,065	\$ 53,190	\$ (317,504)	\$ 3,244,751	\$ 313,058

The Commission leases office space from third parties for the administration office. As of June 30, 2025, the value of the lease liability was \$3,167,948. The Commission is required to make monthly payments of \$34,465 as of June 30, 2025. The payments have scheduled increases of 3.0% on the anniversary date each year until August 2034. The lease has an implicit interest rate of 5.0%.

In prior years, the Commission had entered into various lease agreements as lessee for the use of office space to run family resource centers. As of June 30, 2025, the lease liability was \$35,526. The Commission is required to make monthly payments ranging from \$1,410 - \$6,750 with varying escalators each year on the respective anniversary dates. These leases run through June 30, 2027. The leases all have implied interest rates of 5.0%.

In the previous fiscal year, the Commission entered into a lease agreement for the use of copier at the administration office. As of June 30, 2025, the lease liability was \$5,204. The Commission is required to make quarterly payments of \$905. The lease runs through February 28, 2027. The lease has an implied interest rate of 4.92%.

The Commission recognized \$357,067 in amortization expense and \$169,854 in interest expense during the fiscal year ended June 30, 2025 related to leases.

In the current fiscal year, the Commission entered into a SBITA contract for the use of grant related software. As of June 30, 2025, the value of the subscription liability was \$36,073. The Commission is required to make annual principal and interest payments through December 2026. The subscription has an interest rate of 4.23%.

The Commission did not pay any interest on the SBITA during the current year and recognized \$38,870 in in amortization for the new SBITA.

First 5 Contra Costa Children and Families Commission

Notes to Financial Statements

June 30, 2025

Remaining principal and interest payments on leases are as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 296,126	\$ 153,765
2027	323,787	138,317
2028	332,255	121,941
2029	363,195	104,627
2030	396,136	85,720
2031-2034	1,497,179	126,782
	<u>\$ 3,208,678</u>	<u>\$ 731,152</u>

Remaining principal and interest payments on SBITA are as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 16,932	\$ 1,556
2027	19,141	826
	<u>\$ 36,073</u>	<u>\$ 2,382</u>

Note 8 - Fund Balance

Fund balance is classified using a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance at June 30, 2025 consisted of the following:

	<u>General Fund</u>
Fund Balance	
Nonspendable	
Prepaid Item	\$ 506,573
Note Receivable - Brighter Beginnings	107,000
	<u>613,573</u>
Committed	
Program Contractual Obligations	4,498,325
Assigned	
Elimination of FY25/26 budget deficit	3,520,975
Unassigned	
Unassigned	<u>8,307,148</u>
Total Fund Balance	<u>\$ 16,940,021</u>

First 5 Contra Costa Children and Families Commission

Notes to Financial Statements

June 30, 2025

Note 9 - Contingencies

The Commission is involved in various legal proceedings from time to time in the normal course of business. In management's opinion, the Commission is not involved in any legal proceeding that will have a material adverse effect on financial position or changes in financial position of the Commission.

Note 10 - Related Party Transactions

The legally required composition of the Children and Families Commission includes a County Supervisor, Directors of County agencies and representatives of agencies and constituencies concerned with children. Some of the programs funded by the Commission are operated by organizations represented by Commissioners and Alternate Commissioners. Commissioners and Alternate Commissioners must abstain from voting on issues and participating in discussions directly related to their respective organizations.

The following table shows expenditures with agencies represented by Commissioners and Alternate Commissioners for the fiscal year ended June 30, 2025:

Related Party	Fiscal Year 2024-25 Expenditures
CoCoKids Inc.	\$ 97,188
Total	<u>\$ 97,188</u>

The following table shows balances due to agencies represented by Commissioners and Alternate Commissioners:

Related Party	Balances Due June 30, 2025
CoCoKids Inc.	\$ 10,799
Total	<u>\$ 10,799</u>

The following table shows revenue with agencies represented by Commissioners and Alternate Commissioners for the fiscal year ended June 30, 2025:

Related Party	Fiscal Year 2024-25 Revenue
CoCoKids Inc.	\$ 50,292
Contra Costa County	826,831
Total	<u>\$ 877,123</u>

The Commission earned revenue totaling \$826,831 from Contra Costa County during the year ended June 30, 2025. This revenue was for Health Services, which includes Public Health and Behavioral Health Services Division/Mental Health, and for Employment and Human Services Department Measure X funding.

Note 11 - Program Evaluation

In accordance with the *Standards and Procedures for Audits of California Counties Participating in the California Children and Families Program*, issued by the California State Controller, the Commission is required to disclose the amounts expended during the fiscal year on program evaluation. Program evaluation costs pertain to those activities undertaken to support the collection, production, analysis and presentation of evaluation information for Commission management, Commissioners and other interested parties.

For the year ended June 30, 2025, the Commission expended \$447,818 for program evaluation.

Note 12 - Defined Benefit Pension Plan

Plan Description

Plan Administration

The Contra Costa County Employees' Retirement Association (CCCERA) was established by the County of Contra Costa in 1945. CCCERA is governed by the County Employees' Retirement Law of 1937 (California Government Code Section 31450 et. seq), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures, and policies adopted by CCCERA's Board of Retirement. CCCERA is a cost-sharing multiple employer public employee retirement association whose main function is to provide service retirement, disability, death and survivor benefits to the General and Safety members employed by the County of Contra Costa. CCCERA also provides retirement benefits to the employee members for 16 other participating agencies which are members of CCCERA, including the First 5 Contra Costa Children and Families Commission. CCCERA issues a publicly available financial report that can be obtained at www.cccera.org.

The management of CCCERA is vested with the CCCERA Board of Retirement. The Board consists of twelve trustees. Of the twelve members, three are alternates. Four trustees are appointed by the County Board of Supervisors; four trustees (including the Safety alternate) are elected by CCCERA's active members; two trustees (including one alternate) are elected by the retired membership. Board members serve three-year terms, except for the County Treasurer who is elected by the general public and serves during his tenure in office.

Benefits Provided

CCCERA provides service retirement, disability, death and survivor benefits to eligible employees. All regular full-time employees of the County of Contra Costa or participating agencies become members of CCCERA effective on the first day of the first full pay period after employment. Part-time employees in permanent positions must work at least 20 hours a week in order to become a member of CCCERA. Commission employees are classified as General Tier 1 (Enhanced). New Commission employees who become a General Member on or after January 1, 2013, are designated as PEPRA General Tier 4 and are subject to the provisions of California Government Code 7522 et seq. The plan provisions and benefit terms may be amended by the Contra Costa County Board of Retirement.

General members hired prior to January 1, 2013, are eligible to retire once they attain the age of 70 regardless of service or at age 50 and have acquired 10 or more years of retirement service credit. A member with 30 years of service is eligible to retire regardless of age. General members who are first hired on or after January 1, 2013, are eligible to retire once they have attained the age of 70 regardless of service or at age 52 and have acquired five years of retirement service credit.

The retirement benefits the member will receive is based upon age at retirement, final average compensation, years of retirement service credit and retirement plan and tier. General Tier 1 benefits are calculated pursuant to the provisions of Sections §31676.16. The monthly allowance is equal to 1/50th of final compensation multiplied by years of accrued retirement service credit multiplied by the age factor from §31676.16. General members with membership dates on or after January 1, 2013 (PEPRA General Tier 4) are calculated pursuant to the provisions found in California Government Code Section §7522.20(a). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from Section §7522.20(a).

For members with membership dates before January 1, 2013, the maximum monthly retirement allowance is 100 percent of final compensation. There is no final compensation limit on the maximum retirement benefit for members with membership dates on or after January 1, 2013.

Final average compensation consists of the highest 12 consecutive months for General Tier 1, and the highest 36 consecutive months for PEPRA General Tier 4.

The member may elect an unmodified retirement allowance, or choose an optional retirement allowance. The unmodified retirement allowance provides the highest monthly benefit and a 60 percent continuance to an eligible surviving spouse or domestic partner. An eligible surviving spouse or domestic partner is one married to or registered with the member one year prior to the effective retirement date or at least two years prior to the date of death and has attained age 55 on or prior to the date of death. There are four optional retirement allowances the member may choose. Each of the optional retirement allowances requires a reduction in the unmodified retirement allowance in order to allow the member the ability to provide certain benefits to a surviving spouse, domestic partner, or named beneficiary having an insurable interest in the life of the member.

CCCERA provides an annual cost-of-living benefit to all retirees. The cost-of-living adjustment, based upon the Consumer Price Index for the San Francisco-Oakland-San Jose Area, is capped at 3.0 percent for General Tier 1 and PEPRA General Tier 4. The plan also provides a post-retirement lump sum death benefit of \$5,000 to the member's beneficiary (§31789.5) paid from the Post Retirement Death Benefit Reserve.

The County of Contra Costa and participating agencies contribute to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from CCCERA's actuary after the completion of the annual actuarial valuation. Members are required to make contributions to CCCERA regardless of the retirement plan or tier in which they are included.

First 5 Contra Costa Children and Families Commission

Notes to Financial Statements

June 30, 2025

The Plan's provisions and benefits in effect at June 30, 2025 are summarized as follows:

	General	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Formula	2.0% @ 55	2.5% @ 67
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	70 (1)	70 (2)
Monthly benefits, as a % of annual salary	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	8.24% - 16.32%	11.18% - 12.51%
Required employer contribution rates	26.90%	26.90%

(1) Or 50 with ten years of service credit

(2) Or 52 with five years of service credit

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by Contra Costa County Employees' Retirement Association. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Commission is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2025, contributions to the plan were as follows:

	General
Contributions - employer	\$ 590,642

Plan's Collective Net Pension Liability

As of June 30, 2025, the Commission reported a liability of \$1,923,632 for its proportionate share of the Plan's collective net pension liability.

The Commission's net pension liability for the Plan is measured as the proportionate share of the total net pension liability. The net pension liability of the Plan is measured as of December 31, 2024, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. The Commission's proportion of the net pension liability is based on the Commission's actual 2024 compensation relative to the actual compensation of all participating employers. The Commission's proportionate share of the net pension liability, measured at December 31, 2023 and 2024 was as follows:

	General
Proportion - December 31, 2023	0.182%
Proportion - December 31, 2024	0.149%
Change in Proportion	-0.033%

First 5 Contra Costa Children and Families Commission

Notes to Financial Statements

June 30, 2025

For the year ended June 30, 2025, the Commission recognized pension expense of \$927,000. At June 30, 2025, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between the Commission's contributions and proportionate share of contributions	\$ 180,084	\$ 164,232
Changes in assumptions or other inputs	35,921	55,634
Net difference between projected and actual earnings on plan investments	602,348	-
Difference between expected and actual experience	270,853	-
Total	<u>\$ 1,089,206</u>	<u>\$ 219,866</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ended June 30	
2026	\$ 472,270
2027	556,745
2028	(93,436)
2029	(66,239)
Total	<u>\$ 869,340</u>

Actuarial Assumptions

The total pension liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	December 31, 2023
Measurement Date	December 31, 2024
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	6.75%
Inflation	2.50%
Payroll Growth	3.00% (1)
Projected Salary Increase	3.55% - 12.00%
Investment Rate of Return	6.75% (2)
	Pub-2010 General Healthy Retiree
	Amount-Weighted Above-Median Mortality Table (3)
Mortality	

(1) Inflation of 2.50% per year plus "across the board" real salary increases of 0.5% per year

(2) Net of pension plan investment expense, including inflation

(3) Projected 30 years generationally with the two-dimensional MP-2021 projection scale

The underlying mortality assumptions and all other actuarial assumptions used in the December 31, 2023, valuation was based on the results of an experience study for the period January 1, 2021 through December 31, 2023.

Discount Rate

The discount rate used to measure the total pension liability was 6.75 percent for the Plan. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the Commission's contributions will be made at the current contribution rates and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employee and employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of December 31, 2023.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

Asset Class	Target	Long-Term
Large Cap U.S. Equity	9.00%	5.59%
Small Cap Equity	2.00%	6.45%
International Developed Equity	5.00%	6.23%
Global Equity	10.00%	6.35%
Emerging Markets Equity	2.00%	7.89%
Short-Term Govt/Credit	14.00%	1.84%
US Treasury	3.50%	1.80%
Cash	3.00%	0.98%
Private Equity	15.00%	9.31%
Private Credit	13.00%	6.47%
Infrastructure	3.00%	7.20%
Real Estate - Debt	3.00%	5.00%
Real Estate - Value Add	3.00%	7.90%
Real Estate - Opportunistic	4.00%	9.70%
Hedge Funds	6.50%	3.50%
Multi-Sector Credit	4.00%	4.50%
Total	100%	

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Commission's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the Commission's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Discount Rate	5.75%	6.75%	7.75%
Commission's Net Pension Liability	\$ 4,786,650	\$ 1,923,632	\$ (422,192)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CCCERA financial reports.

Note 13 - Other Postemployment Healthcare Benefits**General Information About the OPEB Plan****Plan Description**

The Commission's defined benefit OPEB plan provides benefits for employees hired prior to January 1, 2007 and who retire directly from the Commission on or after age 50 with at least 10 years of service. Part-time employees receive pro-rated service. The Commission's OPEB plan is an agent multiple employer defined benefit OPEB plan administered by California Employees Retirement Benefit Trust (CERBT). CERBT issues a publicly available financial report that can be obtained at www.calpers.ca.gov.

Benefits Provided

Eligible retirees and their dependents are offered a choice of medical and dental plans through the Contra Costa County Employee Benefits Health Plan. The Commission provides a contribution towards the cost of medical and dental coverage. These contributions are fixed based on the employer subsidies in place in 2011 which varies based on the plan and family coverage category elected by the retiree. The plan provisions and provision terms may be amended by the Commission's Board of Commissioners.

Employees Covered by Benefit Terms

At June 30, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1
Active employees	22
Total	<u>23</u>

Contributions

Generally, contribution requirements of the Commission are established and may be amended by the Board of Commissioners. The Plan and its contribution requirements are established by the Board of Supervisors of Contra Costa County. The annual contribution is based on the actuarially determined contribution. Employees are not required to contribute to the plan. For the year ended June 30, 2025, the Commission made no cash contributions directly to the plan and recognized \$49,670 in implicit contributions.

Net OPEB Liability

The Commission's net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2024.

Actuarial Assumptions

The total OPEB liability in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3%, average including inflation
Investment Rate of Return	6.10% percent, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	8.0% for 2024 decreasing 0.25% per year to an ultimate rate of 4.5% for 2038 and later years

Mortality rates were based on the Society of Actuaries Pub-2010 General Healthy Retiree Amount- Weighted Above-Median Mortality Table fully generational using Scale MP-2021.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target
Global Equity	34.00%
Fixed Income	41.00%
REITS	17.00%
Commodities	3.00%
Inflation Assets	5.00%
Total	100.00%

Discount Rate

The discount rate used to measure the total OPEB liability was 6.10 percent. The projection of cash flows used to determine the discount rate assumed that the Commission contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2024 measurement date	\$ 1,457,360	\$ 993,650	\$ 463,710
Changes in the year			
Service cost	26,340	-	26,340
Interest on the total OPEB liability	78,892	-	78,892
Differences between Expected and Actual Experience	3,847	-	3,847
Changes of Assumptions	(85,997)	-	(85,997)
Contribution - employer	-	49,670	(49,670)
Net investment income	-	81,634	(81,634)
Benefit payments, including refunds of employee contributions	(99,943)	(99,943)	-
Administrative expense	-	(321)	321
Net changes	(76,861)	31,040	(107,901)
Balance at June 30, 2025 measurement date	\$ 1,380,499	\$ 1,024,690	\$ 355,809

Change in assumption

Changes in assumption include updating the discount rate and the long-term expected rate of return from 5.50% as of June 30, 2023 to 6.10% as of June 30, 2024.

First 5 Contra Costa Children and Families Commission

Notes to Financial Statements

June 30, 2025

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Health-Care Cost Trend Rates

The following presents the net OPEB liability of the Commission, as well as what the Commission's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.1 percent) or 1-percentage-point higher (6.1 percent) than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
Discount rate	5.10%	6.10%	7.10%
Commission's net OPEB liability	\$ 535,144	\$ 355,809	\$ 205,453

The following presents the net OPEB liability of the Commission, as well as what the Commission's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase
Healthcare cost trend rates	7.00% decreasing to 3.50%	8.00% decreasing to 4.50%	9.00% decreasing to 5.50%
Commission's net OPEB liability	\$ 255,232	\$ 355,809	\$ 476,972

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued CERBT report.

For the year ended June 30, 2025, the Commission recognized OPEB expense of \$79,034. At June 30, 2025, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Commission contributions subsequent to measurement date	\$ 11,531	\$ -
Net difference between projected and actual earnings on plan investments	50,232	-
Difference between expected and actual experience	241,182	40,942
Changes of assumptions	63,137	139,283
Total	<u>\$ 366,082</u>	<u>\$ 180,225</u>

First 5 Contra Costa Children and Families Commission

Notes to Financial Statements

June 30, 2025

The \$11,531 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30,</u>	
2026	\$ 22,645
2027	79,596
2028	35,233
2029	31,065
2030	26,323
Thereafter	<u>(20,536)</u>
Total	<u>\$ 174,326</u>

Note 14 - Risk Management

The Commission is exposed to various risks of loss related to the loss of, damage to and destruction of assets caused by accidents, forces of nature, and the requirements of the California Labor Code.

The Commission mitigates its exposure to loss through multiple risk treatment mechanisms. The Commission participates in the County of Contra Costa's self-insurance program for public and automobile liability, and property losses, where excess insurance has been purchased through California State Association of Counties Excess Insurance Authority (CSAC-EIA), a joint powers authority. The Commission participates in a joint power authority, separate from the County's, effected through CSAC-EIA for its workers' compensation exposure. Crime insurance is covered through the purchase of commercial insurance.

During the year ending June 30, 2025, the Commission had no settlements exceeding insurance coverage for these categories of risk. For the past three years, settlements or judgment amounts have not exceeded insurance provided for the Commission.

Note 15 - Restatement

Change in Accounting Principle

As of June 30, 2025, the Commission adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. Therefore, the beginning balance of compensated absences was increased by \$47,525 and beginning net position was decreased by \$47,525 as of July 1, 2024. The effect of this change in accounting principle is described in the table below.

	<u>July 1, 2024 As Previously Reported</u>	<u>Change in Accounting Principle</u>	<u>July 1, 2024 As Restated</u>
Governmental Activities			
Net Position	<u>\$ 20,056,094</u>	<u>\$ (47,525)</u>	<u>\$ 20,008,569</u>

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Required Supplementary Information
For the Year Ended June 30, 2025

First 5 Contra Costa Children and Families Commission

(a Component Unit of the County of Contra Costa, California)

First 5 Contra Costa Children and Families Commission
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual General Fund
For the Year Ended June 30, 2025

	Budgeted amounts		Actual Amounts	Variance with Final budget - Positive (negative)
	Original	Final		
Revenues				
Prop 10 Tobacco Tax	\$ 6,609,880	\$ 6,609,880	\$ 4,095,311	\$ (2,514,569)
CA Electronic Cigarette Excise Tax	-	-	73,842	73,842
Prop 56	-	-	1,789,558	1,789,558
First 5 California IMPACT	1,137,249	1,137,249	689,455	(447,794)
Measure X	1,226,031	1,226,031	672,687	(553,344)
CSPP-COE/Preschool QRIS Block Grant	-	-	251,119	251,119
QCC-Quality Counts California	-	-	389,977	389,977
CYBHI Children & Youth Behavioral Health Initiative	-	-	120,000	120,000
Other public funds	-	-	124,784	124,784
Other grants	100,000	100,000	664,177	564,177
Rental income	-	-	34,700	34,700
Interest income	200,000	200,000	690,769	490,769
Unrealized gain	-	-	97,914	97,914
Other revenue	-	-	23,384	23,384
Total Revenues	9,273,160	9,273,160	9,717,677	444,517
Expenditures				
Current				
Program expenditures				
Early care and education	795,240	795,240	669,585	125,655
Family support	3,516,575	3,516,575	3,128,010	388,565
Early intervention	1,616,651	1,616,651	1,508,866	107,785
Policy Advocacy & Communication Strategies	305,532	305,532	35,529	270,003
Salaries and employee benefits	3,202,872	3,202,872	2,799,728	403,144
Other program expenditures	410,623	410,623	402,477	8,146
Evaluation				
Salaries and employee benefits	508,976	508,976	264,416	244,560
Other evaluation expenditures	303,170	303,170	183,402	119,768
Administrative				
Salaries and employee benefits	1,162,976	1,162,976	1,145,389	17,587
Other administrative expenditures	689,755	689,755	64,476	625,279
Capital Outlay	-	-	53,190	(53,190)
Debt Service				
Principal	-	-	317,504	(317,504)
Interest	-	-	169,854	(169,854)
Total Expenditures	12,512,370	12,512,370	10,742,426	1,769,944

(Continued)

First 5 Contra Costa Children and Families Commission
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual General Fund
(Continued)
For the Year Ended June 30, 2025

	Budgeted amounts		Actual Amounts	Variance with Final budget - Positive (negative)
	Original	Final		
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (3,239,210)</u>	<u>\$ (3,239,210)</u>	<u>\$ (1,024,749)</u>	<u>\$ 2,214,461</u>
Other financing sources (uses)				
Subscription proceeds	<u>-</u>	<u>-</u>	<u>53,190</u>	<u>(53,190)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>53,190</u>	<u>(53,190)</u>
Net Change in Fund Balance	<u><u>\$ (3,239,210)</u></u>	<u><u>\$ (3,239,210)</u></u>	<u>(971,559)</u>	<u><u>\$ 2,267,651</u></u>
Fund Balance, Beginning of Year			<u>17,911,580</u>	
Fund Balance, End of Year			<u><u>\$ 16,940,021</u></u>	

First 5 Contra Costa Children and Families Commission
 Contra Costa County Employees' Retirement Association –
 Schedule of the Commission's Proportionate Share of the Net Pension Liability/(Asset)
 Last 10 Years as of June

Fiscal year ended June 30,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Proportion of the net pension liability	0.164%	0.173%	0.159%	0.202%	0.171%	0.106%	0.314%	0.185%	0.182%	0.149%
Proportionate share of the net pension liability (asset)	\$ 2,465,341	\$ 2,423,899	\$ 1,289,083	\$ 2,881,759	\$ 1,480,016	\$ 487,008	\$ (763,759)	\$ 3,135,224	\$ 2,907,786	\$ 1,923,632
Covered payroll	\$ 1,962,961	\$ 2,140,380	\$ 2,405,397	\$ 2,525,004	\$ 2,511,538	\$ 2,398,684	\$ 2,846,338	\$2,718,488	\$2,870,849	\$2,636,199
Proportionate share of the net pension liability/(asset) as a percentage of covered payroll	125.59%	113.25%	53.59%	114.13%	58.93%	20.30%	-26.83%	115.33%	101.29%	72.97%
Plan fiduciary net position as a percentage of the total pension liability	82.24%	84.16%	91.18%	85.09%	91.46%	95.62%	102.17%	85.55%	87.14%	91.01%
Measurement date	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2024

** For the measurement period ended December 31, 2024, demographic assumptions and inflation rate were changed in accordance to the Segal Actuarial Experience Study report dated April 30, 2025. For the measurement period ended December 31, 2024, the discount rate remained at 6.75%, this reflects a change in the price inflation assumption to 2.50%.

Administrative expenses increased to 1.18% from 1.17% of payroll allocated between the employer and member based on normal cost (before expenses) for the employer and member. This assumption is subject to change each year based on the actual administrative expenses as a percent of actual covered payroll during the calendar year ending on the valuation date.

First 5 Contra Costa Children and Families Commission
 Contra Costa County Employees' Retirement Association –
 Schedule of Pension Contributions
 Last 10 Years as of June

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially determined contributions	\$ 604,348	\$ 636,711	\$ 660,452	\$ 659,815	\$ 615,504	\$ 703,170	\$ 858,000	\$ 858,000	\$ 1,000,000	\$ 590,642
Contributions in relation to the actuarially determined contribution	604,348	636,711	660,452	659,815	615,504	703,170	858,000	858,000	1,000,000	590,642
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,025,525	\$ 2,204,354	\$ 2,488,297	\$ 2,747,667	\$ 2,607,465	\$ 2,930,043	\$ 2,808,304	\$ 2,824,663	\$ 2,870,849	\$ 2,907,786
Contributions as a percentage of covered payroll	29.84%	28.88%	26.54%	24.01%	23.61%	24.00%	30.55%	30.38%	34.83%	20.31%

Notes to Schedule

Valuation date: 12/31/2023

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method	Level percentage of payroll (3% payroll growth assumed)
Remaining amortization period	fixed 18-year period
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary Increase	3.55%- to 12.00%, including inflation
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation
Retirement age	General members hired prior to January 1, 2013, are eligible to retire once they attain the age of 70 regardless of service or at age 50 and have acquired 10 or more years of retirement service credit. A member with 30 years of service is eligible to retire regardless of age. General members who are first hired on or after January 1, 2013, are eligible to retire once they have attained the age of 70 regardless of service or at age 52 and have acquired five years of retirement service credit.
Mortality	Pub-2010 General Healthy Retiree Amount-Weighted Above Median Mortality Table

First 5 Contra Costa Children and Families Commission
Schedule of Changes in the Commission's Net OPEB Liability/(Asset) and Related Ratios
Last 10 Years as of June

Fiscal Year ended June 30, Measurement year ended June 30,	2018 2017	2019 2018	2020 2019	2021 2020
Total OPEB Liability				
Service cost	\$ 32,608	\$ 34,728	\$ 35,770	\$ 33,804
Interest on the total OPEB liability	64,455	68,828	73,368	64,114
Changes in assumptions**	-	-	(52,714)	-
Differences between expected and actual experience	-	-	(158,097)	(4,415)
Benefit payments, including refunds of employee contributions	(27,243)	(36,565)	(32,954)	(45,214)
Net change in total OPEB liability	69,820	66,991	(134,627)	48,289
Total OPEB liability - beginning	972,633	1,042,453	1,109,444	974,817
Total OPEB liability - ending (a)	<u>\$ 1,042,453</u>	<u>\$ 1,109,444</u>	<u>\$ 974,817</u>	<u>\$ 1,023,106</u>
Plan fiduciary net position				
Contributions - employer	\$ 52,344	\$ 45,720	\$ 67,165	\$ 85,093
Net investment income	50,176	47,514	57,293	49,736
Administrative expenses	(367)	(403)	(177)	(454)
Other expense	-	(1,021)	-	-
Benefit payments	(27,243)	(36,565)	(32,954)	(45,214)
Net change in plan fiduciary net position	74,910	55,245	91,327	89,161
Plan fiduciary net position - beginning	696,541	771,451	826,696	918,023
Plan fiduciary net position - ending (b)	771,451	826,696	918,023	1,007,184
Net OPEB liability - ending (a)-(b)	<u>\$ 271,002</u>	<u>\$ 282,748</u>	<u>\$ 56,794</u>	<u>\$ 15,922</u>
Plan fiduciary net position as a percentage of the total OPEB liability	74.00%	74.51%	94.17%	98.44%
Covered-employee payroll	\$ 1,085,000	\$ 1,085,000	\$ 827,457	\$ 852,281
Net OPEB liability as percentage of covered-employee payroll	24.98%	26.06%	6.86%	1.87%

*Fiscal year 2018 was the first year of implementation; therefore, only eight years are shown.

** Change of assumptions: For the measurement period ended June 30, 2024, the long-term rate or return and discount rate were adjusted to 6.10% from 5.50% as of June 30, 2023. For measurement period ended June 30, 2023, the healthcare cost trend rates were updated as compared to the measurement period ended June 30, 2022. For measurement period ended June 30, 2022, the long-term rate of return and discount rate were adjusted to 5.50% from 6.50% as of June 30, 2021. For measurement period ended June 30, 2021, the healthcare cost trend rates were updated as compared to the measurement period ended June 30, 2020.

First 5 Contra Costa Children and Families Commission
Schedule of Changes in the Commission's Net OPEB Liability/(Asset)
Last 10 Years as of June*

<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 34,537	\$ 24,873	\$ 30,152	\$ 26,340
66,983	69,444	64,493	78,892
(131,848)	102,837	6,121	(85,997)
138,209	(29,914)	250,017	3,847
(55,152)	(65,715)	(70,783)	(99,943)
52,729	101,525	280,000	(76,861)
<u>1,023,106</u>	<u>1,075,835</u>	<u>1,177,360</u>	<u>1,457,360</u>
<u>\$ 1,075,835</u>	<u>\$ 1,177,360</u>	<u>\$ 1,457,360</u>	<u>\$ 1,380,499</u>
\$ 31,916	\$ 26,161	\$ 32,841	\$ 49,670
198,872	(148,102)	37,383	81,634
(368)	(300)	(287)	(321)
-	-	-	-
(55,152)	(65,715)	(70,783)	(99,943)
175,268	(187,956)	(846)	31,040
<u>1,007,184</u>	<u>1,182,452</u>	<u>994,496</u>	<u>993,650</u>
<u>1,182,452</u>	<u>994,496</u>	<u>993,650</u>	<u>1,024,690</u>
<u>\$ (106,617)</u>	<u>\$ 182,864</u>	<u>\$ 463,710</u>	<u>\$ 355,809</u>
109.91%	84.47%	68.18%	74.23%
\$ 877,849	\$ 732,387	\$ 678,210	\$ 518,671
-12.15%	24.97%	68.37%	68.60%

First 5 Contra Costa Children and Families Commission
Schedule of the Commission's OPEB Contributions
Last 10 Years as of June*

	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially determined contributions	\$ 30,875	\$ 35,444	\$ 76,640	\$ 31,916	\$ 12,263	\$ 13,418	\$ 60,128	\$ 97,827
Contributions in relation to the actuarially determined contribution	30,875	35,444	76,640	31,916	26,161	32,841	49,670	11,531
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ (13,898)	\$ (19,423)	\$ 10,458	\$ 86,296
Covered-employee payroll	\$ 1,085,000	\$ 827,457	\$ 852,281	\$ 877,849	\$ 732,387	\$ 678,210	\$ 518,671	\$ 534,231
Contributions as a percentage of covered-employee payroll	2.85%	4.28%	8.99%	3.64%	3.57%	4.84%	9.58%	2.16%

*Fiscal year 2018 was the first year of implementation; therefore, only eight years are shown.

Notes to Schedule

Valuation date: 6/30/2024

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method	Level percentage of payroll (3% payroll growth assumed)
Remaining amortization period	Fixed 18-year period
Asset valuation method	Fair value of assets
Inflation	3.00%
Salary Increase	3%, average including inflation
Investment Rate of Return	6.10%, net of OPEB plan investment expense, including inflation
Retirement age	Employees hired prior to January 1, 2007 and who retire directly from the Commission on or after age 50 with at least 10 years of service.
Mortality	Mortality rates were based on the Society of Actuaries Pub-2010 General Healthy Retiree Amount- Weighted Above-Median Mortality Table fully generational using Scale MP-2021.

Note 1 - Budget

The Commission prepares and legally adopts a final budget on or before June 30th of each fiscal year. The Commission operations, commencing July 1st, are governed by the proposed budget, adopted by the Commission by June of the prior fiscal year.

An operating budget is adopted each fiscal year in accordance with generally accepted accounting principles based on estimates of revenues and anticipated expenditures. Additionally, encumbrance accounting is utilized to assure effective budgetary control. Encumbrances outstanding at year-end represent the estimated amount of the expenditures ultimately to result if the unpaid contracts in process at year-end are fully performed by year-end or purchase commitments satisfied. Unencumbered appropriations lapse at year-end and encumbrance balances that will not be honored are liquidated.

The legal level of budgetary control (the level on which expenditures may not legally exceed appropriations) is at the total fund level. The Commission does not establish a budget for debt service, capital outlay or other financing sources and uses.

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Supplementary Information

For the Year Ended June 30, 2025

First 5 Contra Costa Children and Families Commission

(a Component Unit of the County of Contra Costa, California)

First 5 Contra Costa Children and Families Commission
Schedule of Expenses by Fund Source and Net Position of CCFC Funds for First 5 Programs and Activities
For the Year Ended June 30, 2025

Program	Source	Revenue CCFC Funds	Expenses	Change in Net Position	Net Position Beginning of Year	Net Position End of Year
IMPACT	CCFC Program Funds*	\$ 689,455	\$ 689,455	\$ -	\$ -	\$ -
	Total	<u>\$ 689,455</u>	<u>\$ 689,455</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

* \$18,944 HUB funding received from First 5 San Benito is *not included* in IMPACT.

Compliance Reports

For the Year Ended June 30, 2025

First 5 Contra Costa Children and Families Commission

(a Component Unit of the County of Contra Costa, California)



**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed in Accordance
with *Government Auditing Standards***

To the Board of Commissioners
First 5 Contra Costa Children and Families Commission
Concord, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of the First 5 Contra Costa Children and Families Commission (Commission), a component unit of the County of Contra Costa, California (County), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated October 23, 2025. Our report includes an emphasis of matter paragraph indicating the adoption of GASB Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Sacramento, California

October 23, 2025



Independent Auditor's Report on State Compliance and on Internal Control Over Compliance

To the Board of Commissioners
First 5 Contra Costa Children and Families Commission
Concord, California

Report on Compliance

Opinion on State Compliance

We have audited the First 5 Contra Costa Children and Families Commission's (Commission), a component unit of the County of Contra Costa, California, compliance with the requirements specified in the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, issued by the State Controller's Office, applicable to the Commission's statutory requirements identified below for the year ended June 30, 2025.

In our opinion, the Commission complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the California Children and Families Program for the year ended June 30, 2025.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, issued by the State Controller's Office. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the Commission's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above, and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the California Children and Families Program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether the material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Commission's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Commission's compliance with the requirements of the California Children and Families Program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Commission's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances;
- Obtain an understanding of the Commission's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the Commission's compliance with the state laws and regulations applicable to the following items:

Description	Audit Guide Procedures	Procedures Performed
Contracting and Procurement	6	Yes
Administrative Costs	3	Yes
Conflict-of-Interest	3	Yes
County Ordinance	4	Yes
Long-range Financial Plans	2	Yes
Financial Condition of the Commission	1	Yes
Program Evaluation	3	Yes
Salaries and Benefits Policies	2	Yes

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identify during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Sacramento, California
October 23, 2025



Staff Report
October 27, 2025

ACTION: - ✓
DISCUSSION: -

TITLE: FIRST 5 California Annual Report Fiscal Year 2024-25

Background:

On an annual basis, each county First 5 is required to provide a summary of revenues, expenditures, and populations served for the fiscal year to First 5 California in the form of the Annual Report. The county Annual Reports inform a statewide summary that First 5 California is required by the California Children and Families Act to produce on an annual basis.

The Annual Report presented pertains to the fiscal year period of July 1, 2024 – June 30, 2025. Annual Report expenditures and counts of children, caregivers, and providers served are organized into Result Areas defined by First 5 California. Below are the Result Areas with a brief description of which First 5 Contra Costa efforts fall within those areas:

- Improved Family Functioning: Our Strengthening Families efforts including family resource centers, parent education, family literacy, and parent leadership training through the Community Advisory Councils at each family resource center.
- Improved Child Development: Our Early Childhood Education efforts including school readiness, coaching, trainings, and other quality improvement efforts.
- Improved Child Health: Our Early Intervention efforts including Help Me Grow, home visiting, and distributing car seats.
- Improved Systems of Care: Our advocacy efforts focused on Early Childhood Education, Early Intervention, and Strengthening Families through the various coalitions we participate in or lead such as the Family Economic Security Partnership, Early Learning Leadership Group and the Early Childhood Prevention & Intervention Coalition.

The Annual Report is comprised of three sections, AR-1, AR-2, and AR-3:

- Annual Report AR-1 includes a First 5 Contra Costa Revenue and Expenditure Summary that demonstrates the relationship between financial resources and services.
- Annual Report AR-2 consists of an overview of demographic information on race/ethnicity and primary language spoken in the home for populations served by First 5 Contra Costa.
- Annual Report AR-3 contains a summary of evaluation activities and county highlights, which are published in First 5 California's Annual Report.

Recommendation:

ADOPT the presented Annual Report for FY 2024-25 to be submitted to F5 California by its due date of October 31, 2025.

Fiscal Impact:

The Annual Report outlines First 5 Contra Costa's revenues and expenditures in Fiscal Year 2024-25, but adopting the report has no fiscal impact on the agency.

Consequence of Negative Action:

First 5 Contra Costa would fail to comply with state reporting mandates and would need to revise the Annual Report and resubmit to the Commission for adoption before submitting the report to First 5 California.



Annual Report AR-1
Contra Costa Revenue and Expenditure Summary
July 1, 2024 - June 30, 2025

Revenue Detail

Category	Amount
Tobacco Tax Funds	\$5,958,711
IMPACT Legacy	\$689,455
Small Population County Augmentation Funds	\$0
Home Visiting Coordination Funds	\$127,442
Other First 5 California Funds	\$86,197
Other First 5 California Funds Description 1) F5CA HUB/IMPACT Training & Technical Assistance = \$86,197	
Other Public Funds	\$1,726,105
Other Public Funds Description 1) Administration for Children & Families (ACF)/ECE Workforce Compensation Study = \$87,886, 2) California State Preschool Program (CSPP) Revenue = \$251,119, 3) Children & Youth Behavioral Health Initiative (CYBHI)/Positive Parenting Program (Triple P) = \$120,000, 4) CocoKids/Measure X/UC Berkeley Wage Boost \$50,292, 5) CSPP & QCC=\$124,784, 6) EHSD-CFS Fatherhood Engagement \$29,360, 7) Measure X/Inclusion Project = \$672,687, 8) Quality Counts California (QCC) Revenue = \$389,977	
Donations	\$0
Revenue From Interest Earned	\$690,769
Grants	\$283,000
Grants Description Leshner- Ready Kids East County = \$173,000, Philanthropic Grant Income (Sunlight Giving \$100K & Leshner CARE \$10K) = \$110,000	
Other Funds	\$155,998
Other Funds 1) Other revenue = \$4,598, 2) Reimbursement for damages = \$18,786, 3) Rental income/Pittsburg building = \$34,200, 4) Rental income/training center = \$500, 5) Unrealized gain = \$97,914	
Total Revenue	\$9,717,677

Improved Family Support

Service	Grantee	Program(s)	Children	Caregivers	Providers	Amount
General Family Support	CBO/Non-Profit	• Triple P 2-3	0	397	0	\$176,203
General Family Support	Family Resource Center	• Abriendo Puertas • Five Protective Factors • Playgroups	2631	3431	39	\$3,079,280
General Family Support	First 5 County Commission	• Core Operating Support	0	0	0	\$2,141,498
Reason for no population served: Core operating support						
Intensive Family Support	CBO/Non-Profit	• Triple P 4-5	0	127	6	\$189,568
Family Literacy and Book Programs	CBO/Non-Profit	• Kit for New Parents • Story Cycles	2043	2648	395	\$175,565
Total						\$5,762,114

Improved Child Development

Service	Grantee	Program(s)	Children	Caregivers	Providers	Amount
Quality Early Learning and Care Supports	Resource and Referral Agency (COE or Non-Profit)	Quality Counts California	0	0	14	\$83,690
Quality Early Learning and Care Supports	First 5 County Commission	Quality Counts California	0	0	1545	\$230,809
Quality Early Learning and Care Supports	County Office of Education/School District	Quality Counts California	0	0	0	\$18,795
Reason for no population served: COE QRIS & COE Workforce Pathways						
Quality Early Learning and Care Supports	First 5 County Commission	Not Applicable ()	0	0	0	\$354,824
Reason for no population served: Core operating support						
Early Learning and Care Program Direct Costs	CBO/Non-Profit	Not Applicable (Ready Kids East County)	85	122	45	\$141,640
Total						\$829,758

Improved Child Health

Service	Grantee	Program(s)	Children	Caregivers	Providers	Unique Families	Amount
General Health Education and Promotion	First 5 County Commission	Safety Education	186	0	0	0	\$15,449
Early Intervention	CBO/Non-Profit	Care Coordination and Linkage	3410	879	113	0	\$1,124,498
Early Intervention	Hospital/Health Plan	Not Applicable ()	0	0	26	0	\$0
Early Intervention	First 5 County Commission	Not Applicable ()	0	0	0	0	\$548,262
Reason for no population served: Core operating costs							
Perinatal and Early Childhood Home Visiting	First 5 County Commission	Local Model	0	0	126	0	\$109,905
Total							\$1,798,114

Improved Systems Of Care

Service	Grantee	Program(s)	Amount
Systems Building	First 5 County Commission	Early Identification and Intervention	\$154,209
Total			\$154,209

Expenditure Details

Category	Amount
Program Expenditures	\$8,544,195
Administrative Expenditures	\$1,209,863
Evaluation Expenditures	\$447,818
Total Expenditures	\$10,201,876
Excess (Deficiency) Of Revenues Over (Under) Expenses	(\$484,199)

Other Financing Details

Category	Amount
Sale(s) of Capital Assets	\$0
Other Capital Outlay of -\$53,190, Debt Service of -\$487,360, and +\$53,190 in Software Subscriptions	(\$487,360)
Total Other Financing Sources	(\$487,360)

Net Change in Fund Balance

Category	Amount
Fund Balance - Beginning	\$17,911,580
Fund Balance - Ending	\$16,940,021
Net Change In Fund Balance	(\$971,559)

Fiscal Year Fund Balance

Category	Amount
Nonspendable	\$613,573
Restricted	\$0
Committed	\$4,498,325
Assigned	\$3,520,975
Unassigned	\$8,307,148
Total Fund Balance	\$16,940,021

Expenditure Note

No data entered for this section as of 10/27/2025 3:33:18 PM.



Annual Report AR-2
Contra Costa Demographic Worksheet
July 1, 2024 - June 30, 2025

Population Served

Category	Number
Children Less than 3 Years Old	2,536
Children from 3rd to 6th Birthday	2,330
Children – Ages Unknown (birth to 6th Birthday)	1,804
Primary Caregivers	6,995
Providers	2,332
Total Population Served	15,997

Primary Language Spoken in Home

Category	Number of Children	Number of Primary Caregivers
English	659	2,803
Spanish	1,124	3,132
Cantonese	11	14
Mandarin	13	133
Vietnamese	0	120
Korean	4	40
Other - Specify with text box Arabic, Farsi, Hindi, Nepalese, Punjabi & Tagalog	101	189
Unknown	4,758	564
Totals	6,670	6,995

Race and/or Ethnicity of Population Served

Category	Number of Children	Number of Primary Caregivers
Alaska Native/American Indian	14	12
Asian	191	396
Black/African-American	253	474
Hispanic/Latino	1,528	2,468
Middle Eastern or North African	35	60
Native Hawaiian or Other Pacific Islander	14	40
Other – Specify with text box Brazilian, British, East Asian, Human & Indian	24	21
Two or more races	272	175
Unknown	4,208	2,899
White	131	450
Totals	6,670	6,995

Duplication Assessment

Category	Data
Degree of Duplication	30%
Confidence in Data	Somewhat confident
Additional Details (Optional)	There are programs, such as Kit for New Parents and StoryCycles, that don't collect individual participation data including ethnicity/race and primary language.



Annual Report AR-3

Contra Costa County Evaluation Summary and Highlights

July 1, 2024 - June 30, 2025

County Evaluation Summary

Evaluation Activities Completed, Findings, and Policy Impact

Improved Family Functioning: In FY 2025, our family resource centers served 6,022 adults and children, which was a slight increase from FY 2024. Caregivers attended 792 classes and workshops and, of those who completed a post-session survey, 100% responded they learned new information that would help with their parenting and ability to support their child's development, and that the class helped them understand what to expect from their child at this age and stage of their development. Community Resource Specialists (CRS) helped 814 caregivers access community services, a 27% increase in total participants and a 25% increase in fathers compared to FY 2024. Of participants who completed a survey, 98% were satisfied with the CRS services and 77% were completely able to access the programs and services they were referred to by a CRS. In FY 2025, 127 family members attended evidence-based parent education classes and, of those who also completed clinical assessments, 57% responded that their child's challenging behaviors decreased in intensity and 52% responded that these behaviors were less of a problem for them. Caregivers also reported decreases in laxness, reactivity, and hostility while parenting, and 82% of respondents lowered their depression. In addition to these multi-week classes, 397 caregivers attended one-time parenting seminars and received "coaching" – a brief targeted intervention in a one-to-one format which assists parents in developing parenting plans to manage behavioral concerns and skill development issues (e.g., eating independently, staying in bed at night, toilet training). Participants rated seminars highly – 97% rated the quality of the presentations as excellent and 92% reported that their parenting questions were answered. All participants learned what they could do to help their children gain new skills and improve behavior. To the question, "Please describe one takeaway from the today's seminar", family members responded: • "It is very helpful to have more in-depth knowledge about how to be a good mother, friend, and counselor at the same time." • "I wrote down – replace negative thoughts with positive ones. And be kinder to yourself."

Improved Child Development: In FY 2025, 54 professional trainings and events were held for 874 early care and education providers on various topics. Of those who completed surveys, 92% reported that the training's learning objectives were met and 69% indicated they would be changing their practice because of the training. One of these events was an in-person convening for child care providers focused on neurodivergence in early childhood. Over 100 people attended the event, and general sentiment about the neurodiversity convening was highly favorable, with many respondents' expressing appreciation for the quality of the presentations, and the practical, empowering information shared. There was strong consensus that the event was helpful, informative and supportive, especially for caregivers and providers working with neurodivergent children. In addition to these trainings and events, our Quality Matters coaches provided 705 hours of coaching to 91 sites to help them meet their quality improvement goals, and 85% of sites indicated they highly valued the coaching.

Improved Child Health: Family resource center staff, pediatric sites, and early learning providers administered 2,422 ASQ-3 developmental screenings to 2,072 children, an increase of 10% additional screenings and 11% additional children from FY 2024. Concerns related to the development of communication skills were identified for 29% of these children, 29% had fine motor concerns, 27% had socio-emotional concerns, 24% had problem solving concerns, and 17% had gross motor concerns. Also, in FY 2025, 208 parents and 187 children attended 15 eight-week playgroups designed specifically for children who have a developmental concern or delay. Of parents who completed an exit survey, all

reported they would recommend the playgroup to others and 94% reported their child's developmental skills improved since being in the playgroup. Improved Systems of Care: In Spring 2025, First 5 Contra Costa partnered with Stanford's CIRCLE team to conduct a listening tour with over 50 families, using focus groups and one-on-one interviews in English and Spanish. Parents highlighted hurdles accessing basic needs – food, diapers, car seats – and low awareness of other support services due to complex eligibility, scheduling conflicts, and stigma. First 5 Contra Costa plans to use the input to improve its own efforts and those of its partners, and to inform its next strategic plan. First 5 Contra Costa mapped relationships among 29 education, health, and community organizations who work with African American and Black families in the eastern region of the county using social network analysis. The survey used in this analysis identified a moderately connected ecosystem of organizations with strong cross-sector ties, alongside some unidirectional partnerships and some opportunities for further alignment among organizations. The survey findings helped inform next steps as First 5 Contra Costa works with its partners to explore targeted capacity-building, building bridges between organizations, and other strategies to strengthen coordination among services for African American and Black families in East County. Finally, in partnership with the Start Early consulting team and a cross-sector advisory group representing early childhood stakeholders countywide, First 5 Contra Costa co-created a data dashboard looking at health and wellbeing, family support, early childhood program and workforce data. When complete, the dashboard will help Contra Costa's early childhood system partners more effectively identify trends, gaps, and opportunities for collaboration; and plan strategically to improve outcomes for young children and their families.

County Highlights

County Highlight

In FY 2025, First 5 Contra Costa advanced two key initiatives to promote equity, inclusion, and school readiness for young children and their families. Through Ready Kids East County (RKEC), we implemented the Womb to Classroom strategy to support African American/Black children ages 0–5 with culturally responsive efforts from pregnancy through early childhood. A kick-off event with 45 community partners identified three guiding priorities: 1) Womb to Community, 2) Bolster Prenatal & Postnatal Supports, and 3) Center Black Parents & Caregivers. Key activities included the “Motherwork Summit”, which brought together 42 Black women to reflect on health, wellness, and lived experiences; a CoCo Doula session with 11 parents exploring culturally affirming birth options; and creation of 100 culturally relevant welcome totes with books and resources for expecting Black families in partnership with the Contra Costa County Library. Families affirmed the importance of culturally specific spaces and programming, including the “I Believe in Black Family Leadership Series”, which supported 16 parents in navigating early education systems. As well, a summer LEGO education camp served 20 children, 15 of whom were Black, fostering STEM learning in hands-on ways. Collaboration with school districts increased through shared tools like the Ages and Stages Questionnaire and connections between child care providers and TK–12 educators. A RKEC Resource Fair drew 60+ Black parents and caregivers, connecting them to 33 service providers and on-site supports such as health screenings, food distribution, and WIC registration. A digital RKEC Resource Kit extended access to these resources. Community impact was evident through strong participation and feedback. Simultaneously, First 5 Contra Costa led the Inclusion in Early Learning Project to improve the capacity of child care providers to support children with disabilities, developmental delays, and social-emotional concerns. The project had two main parts: (1) engaging families, educators, and advocates to understand community needs and create recommendations, and (2) providing training, materials, and support to early educators. Community engagement included five meaning-making/validation sessions with 53 participants and two convenings with over 140 people, producing recommendations for more inclusive early childhood programs. Training reached 380 providers from 267 sites on topics such as special health care needs, neurodiversity, child development screening, and inclusive teaching strategies. Over 200 providers attended 14 inclusion-focused trainings, joined peer learning cohorts, or a yearlong Inclusion Specialization program. A major convening on neurodivergence drew 100+ participants, including expert speakers and a parent panel. Evaluations showed 99% rated trainings positively, and nearly all planned to apply what they learned. To support implementation, providers received over 200 shopping passes for classroom supplies and 350 “inclusion toolkits” with materials and guides. We also launched a new early childhood mental health consultation program, serving 11 sites and nearly 800 children, and partnered with five community groups to expand outreach on early intervention and special education services, reaching 1,550 providers and 1,106 families. These culturally and linguistically responsive approaches targeted African American/Black and Latinx communities. A technical assistance pilot helped seven child care sites adopt the Ages & Stages Questionnaire, with providers reporting immediate benefits for children and families. These efforts reflect First 5 Contra Costa’s commitment to building inclusive, responsive systems where all children and families are supported to thrive.



First 5 California Annual Report

FY 2025

Sarah Burke

Data & Policy Analyst



What is the Annual Report?

- Provides a statewide summary of county commission revenues, expenditures, and populations served as required by the California Children and Families Act
- Includes Prop 10 and all other private and public funds



Result areas and service categories are close, but not identical to our focus areas:



Result Areas:

1. Family Functioning
2. Child Development
3. Child Health
4. Systems of Care



Focus Areas:

1. Strengthening Families
2. Early Childhood Education
3. Early Intervention

Annual Report: 3 Parts



AR-1

maps dollars to duplicated individuals served by four Result Areas



AR-2

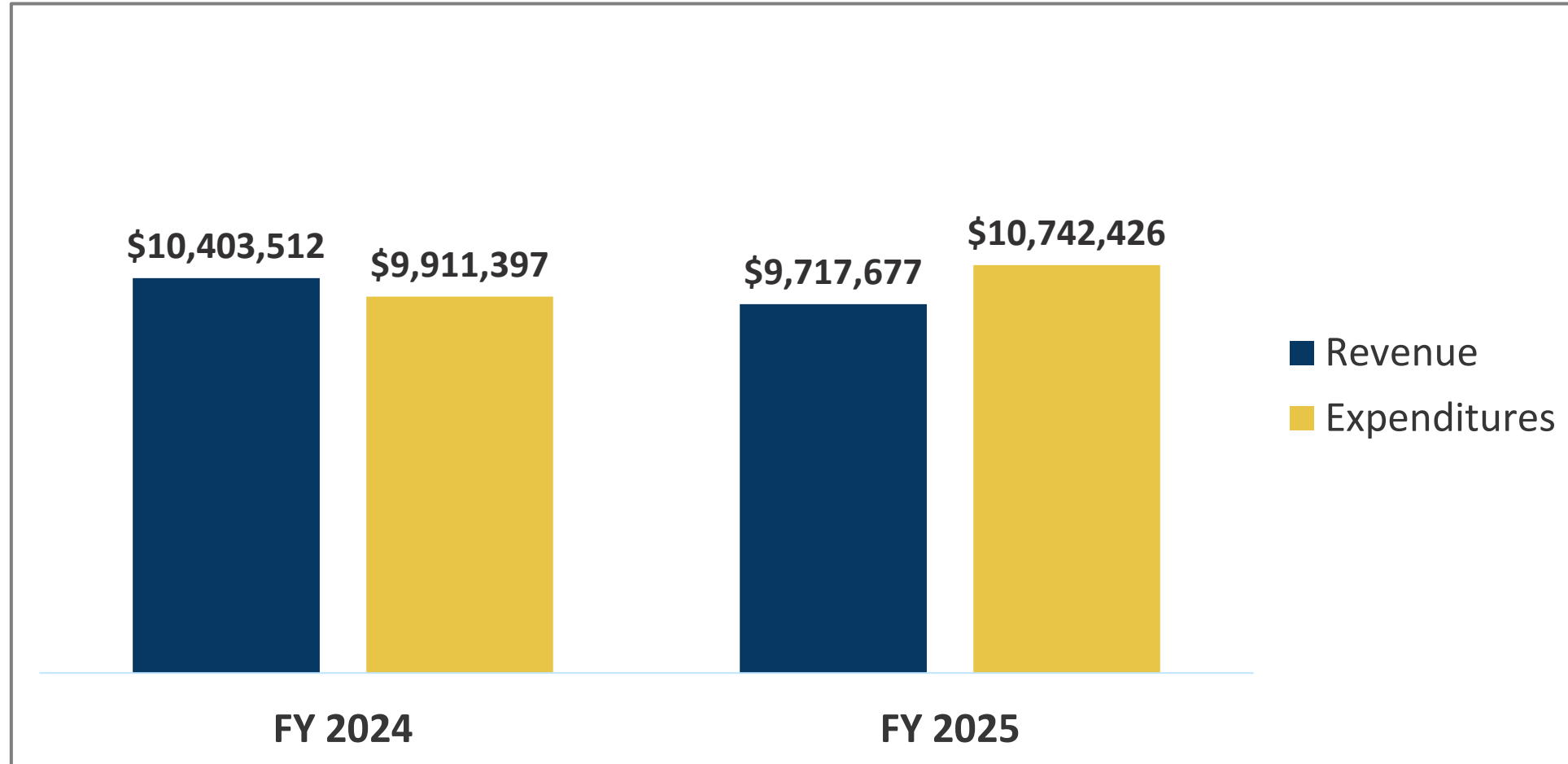
unduplicated individuals served and demographics (age, ethnicity/race, language)



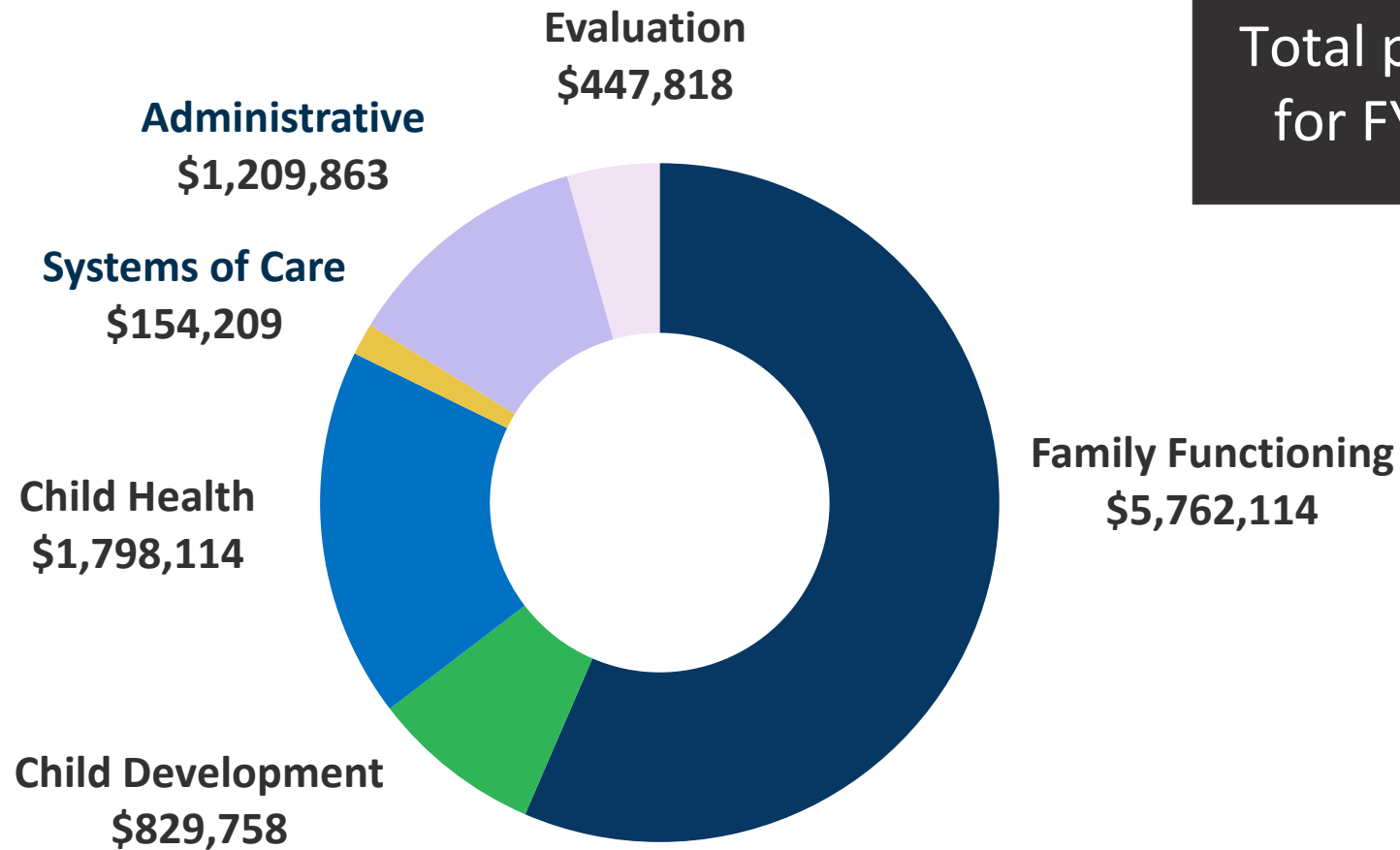
AR-3

summary of highlights/accomplishments and evaluation findings

AR-1: Revenue & Expenditures

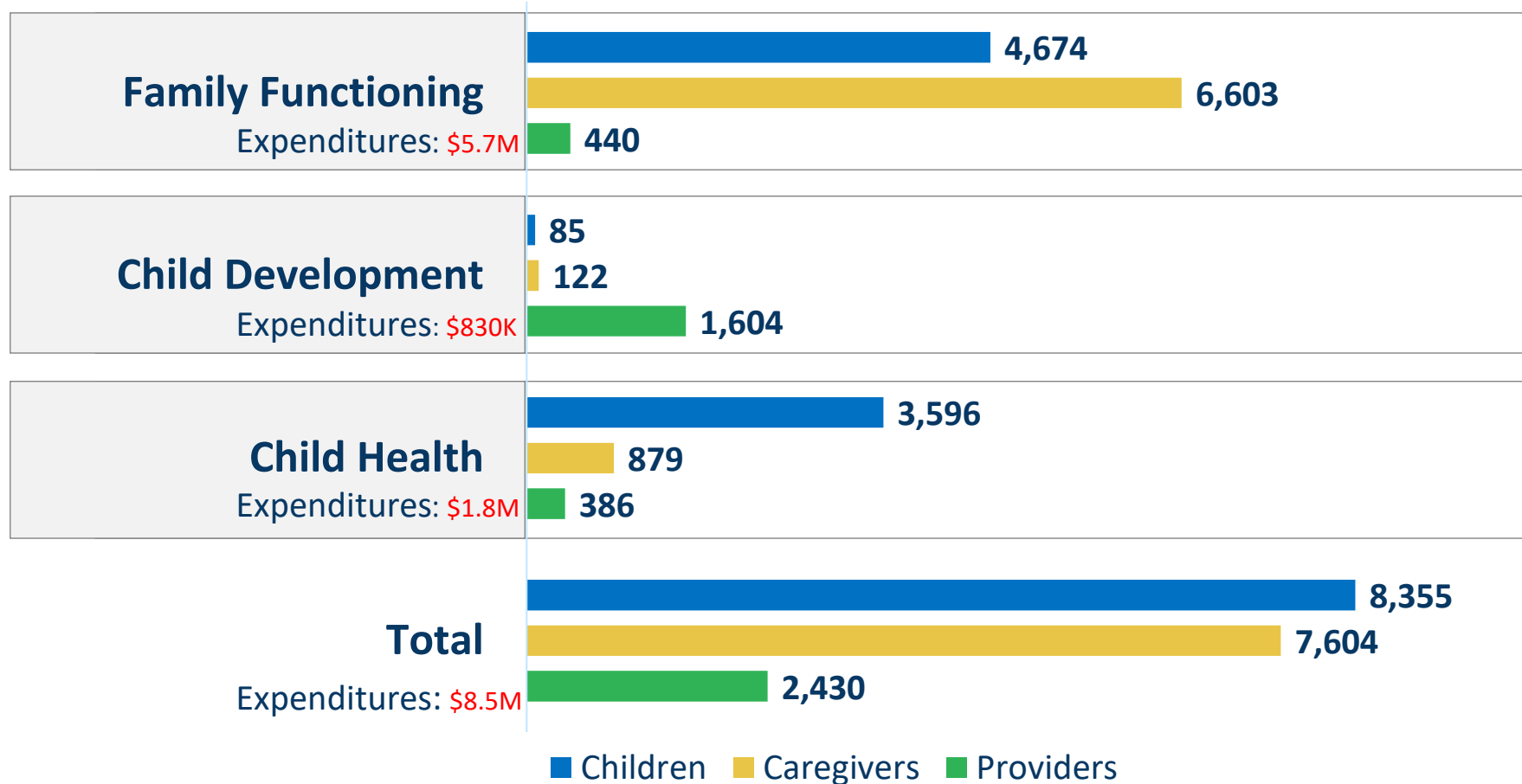


AR-1: Expenditures by Result Area



Total program expenditures
for FY24-25: **\$10,201,876**

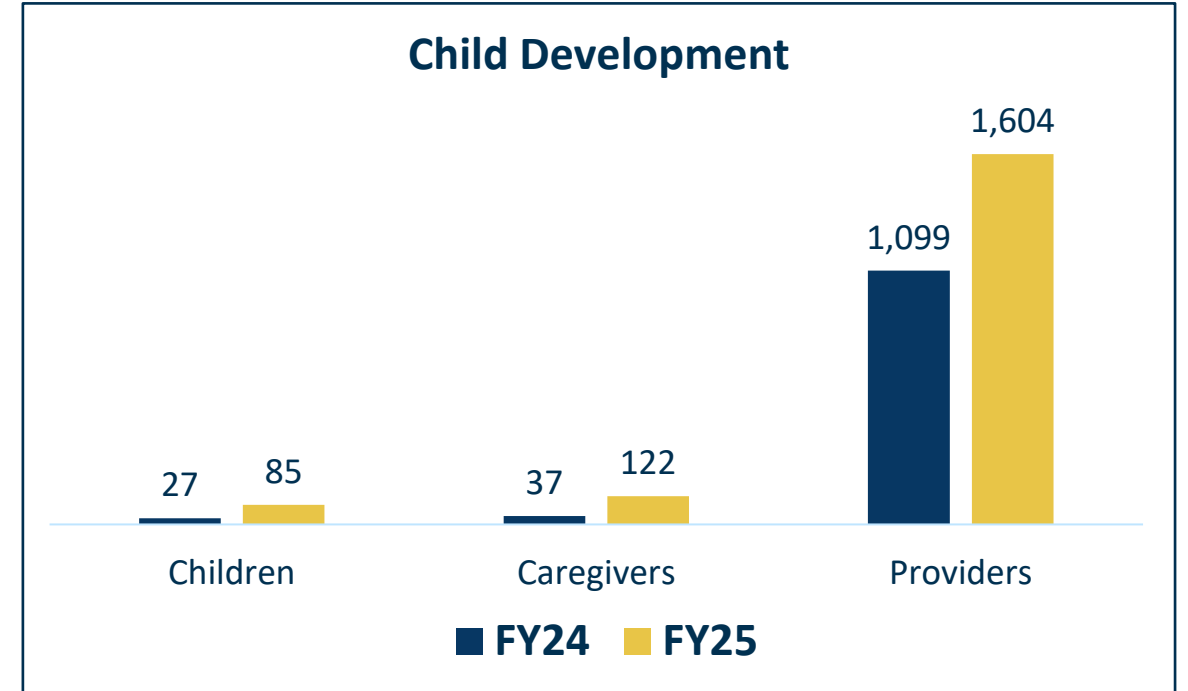
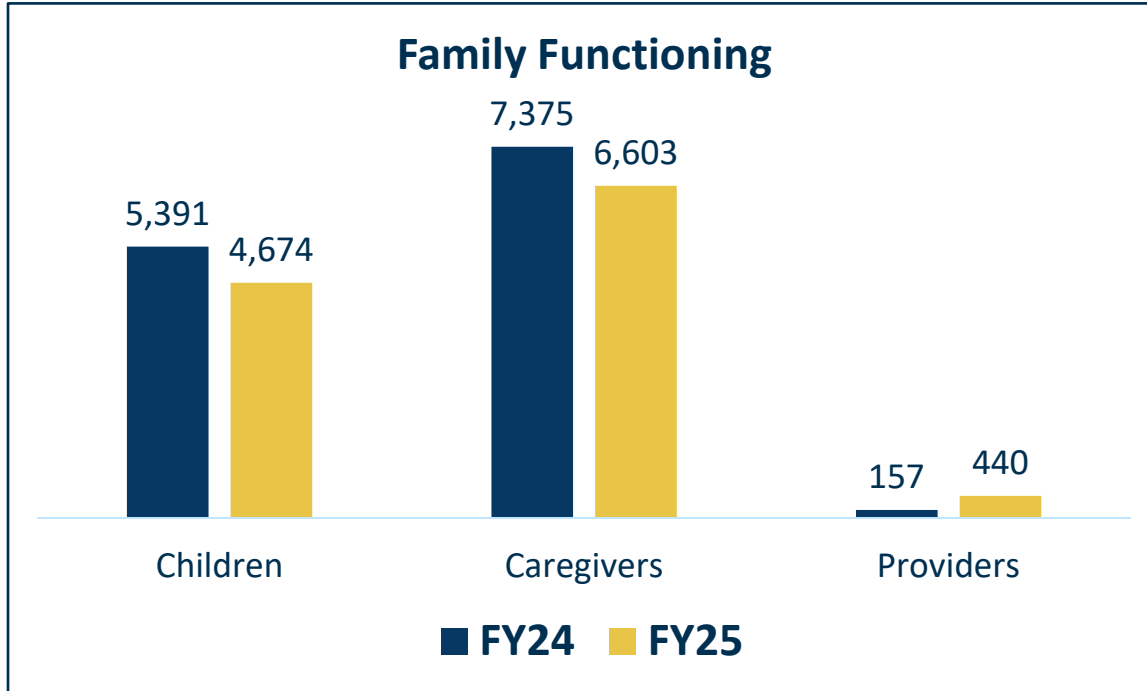
AR-1: Result Areas by Population Served FY 2025



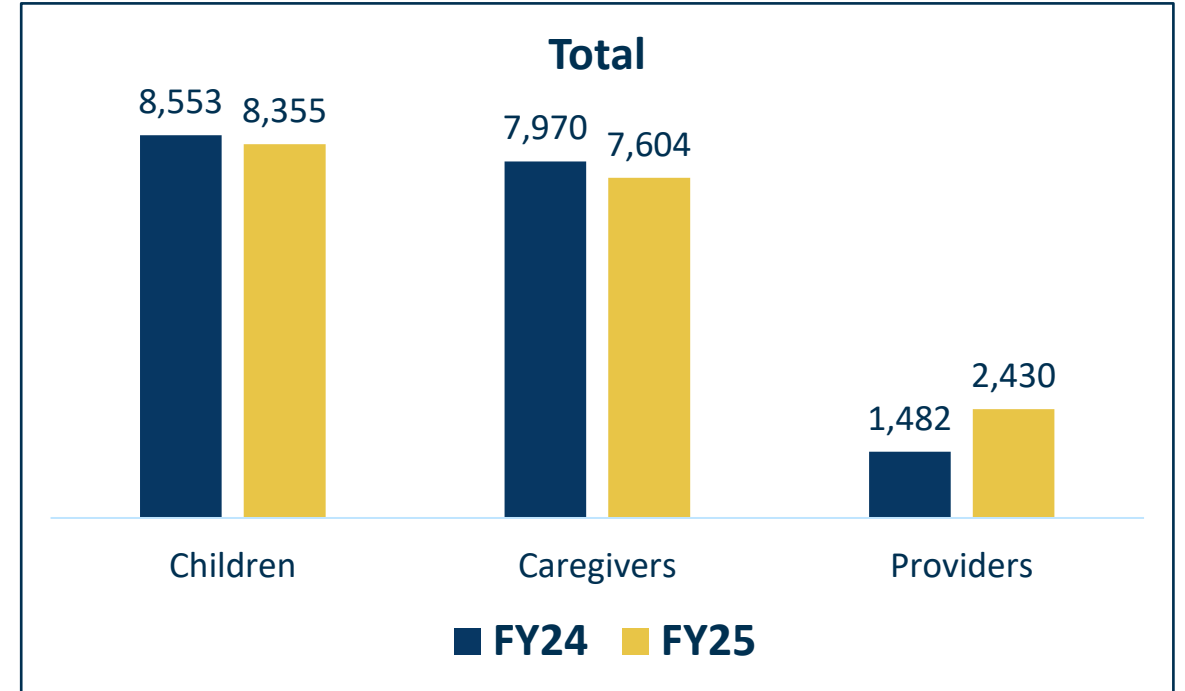
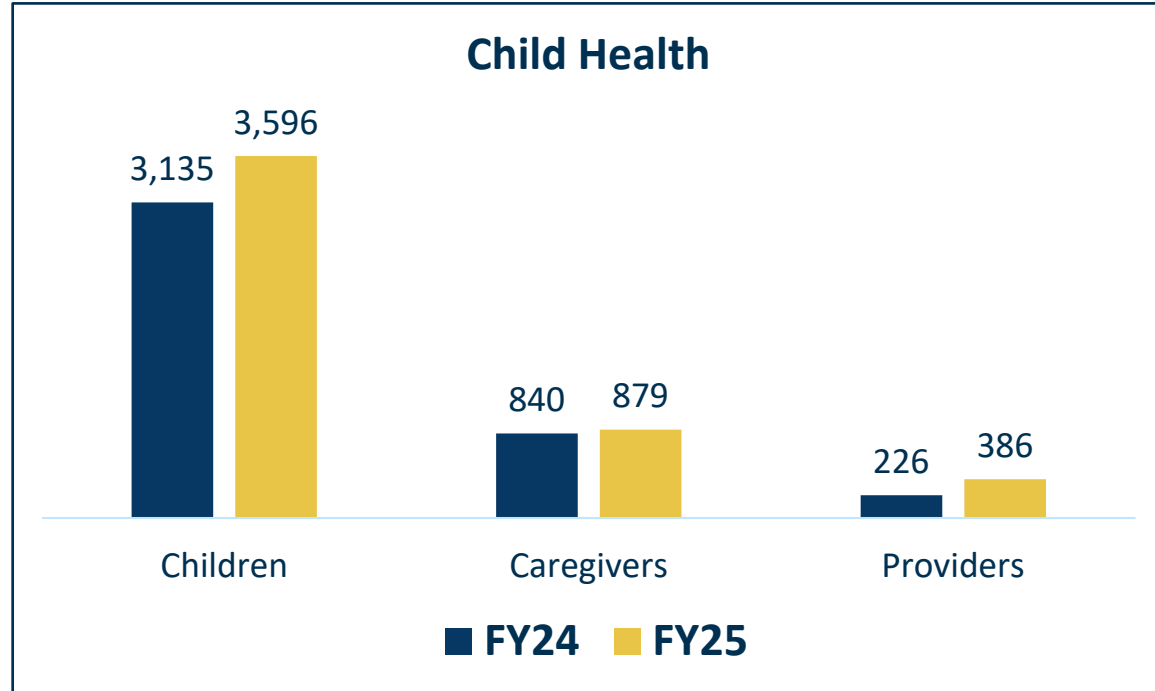
Duplicated total counts across results areas: children: 8,835, caregivers: 7,916, providers: 2,430.

Note: The state does not ask for counts mapped to the \$154K in expenditures for the "Systems of Care" result area

AR-1: Result Areas by Population Served FY2024 & FY2025

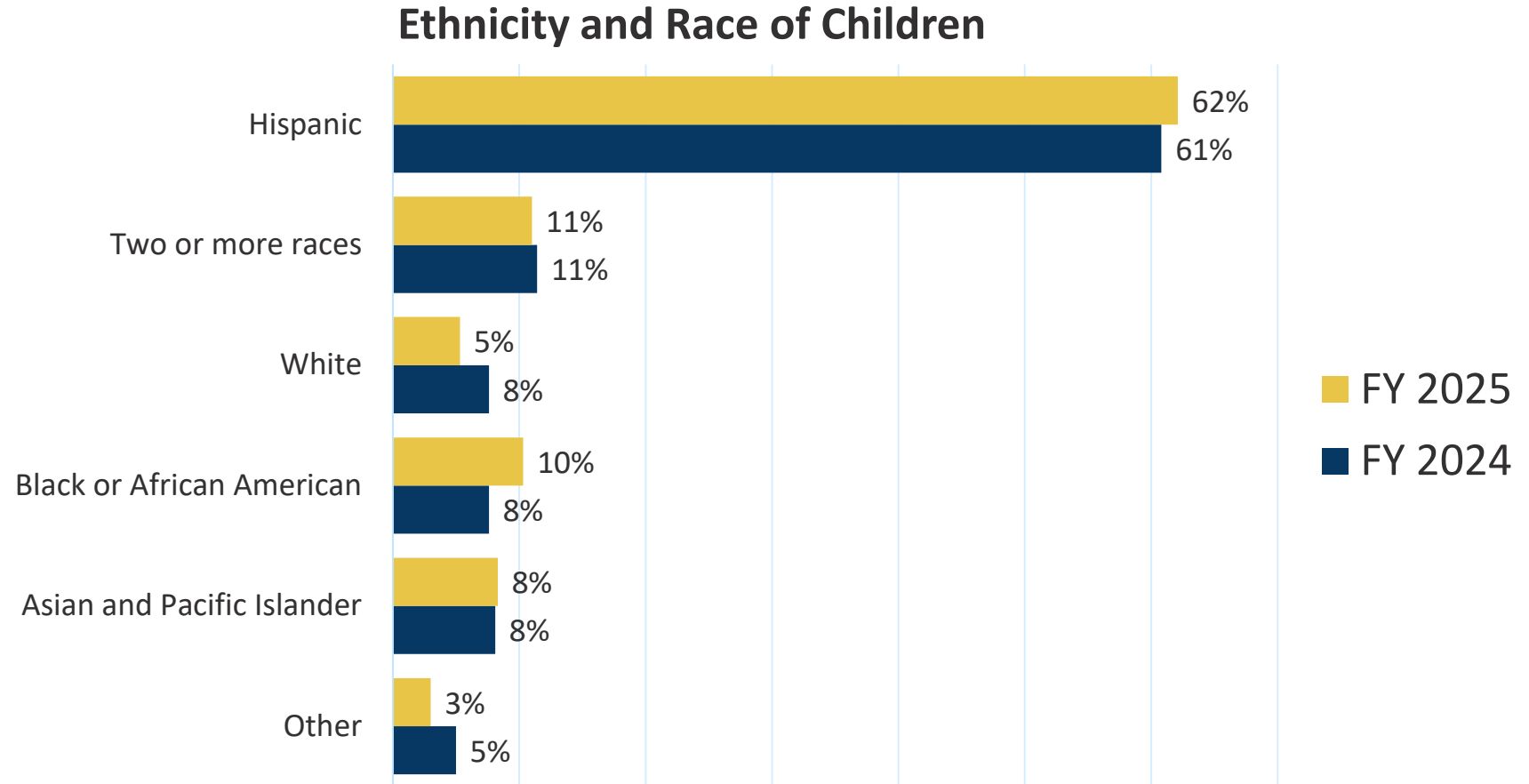


AR-1: Result Areas by Population Served FY2024 & FY2025



AR-2: Unduplicated Children Served

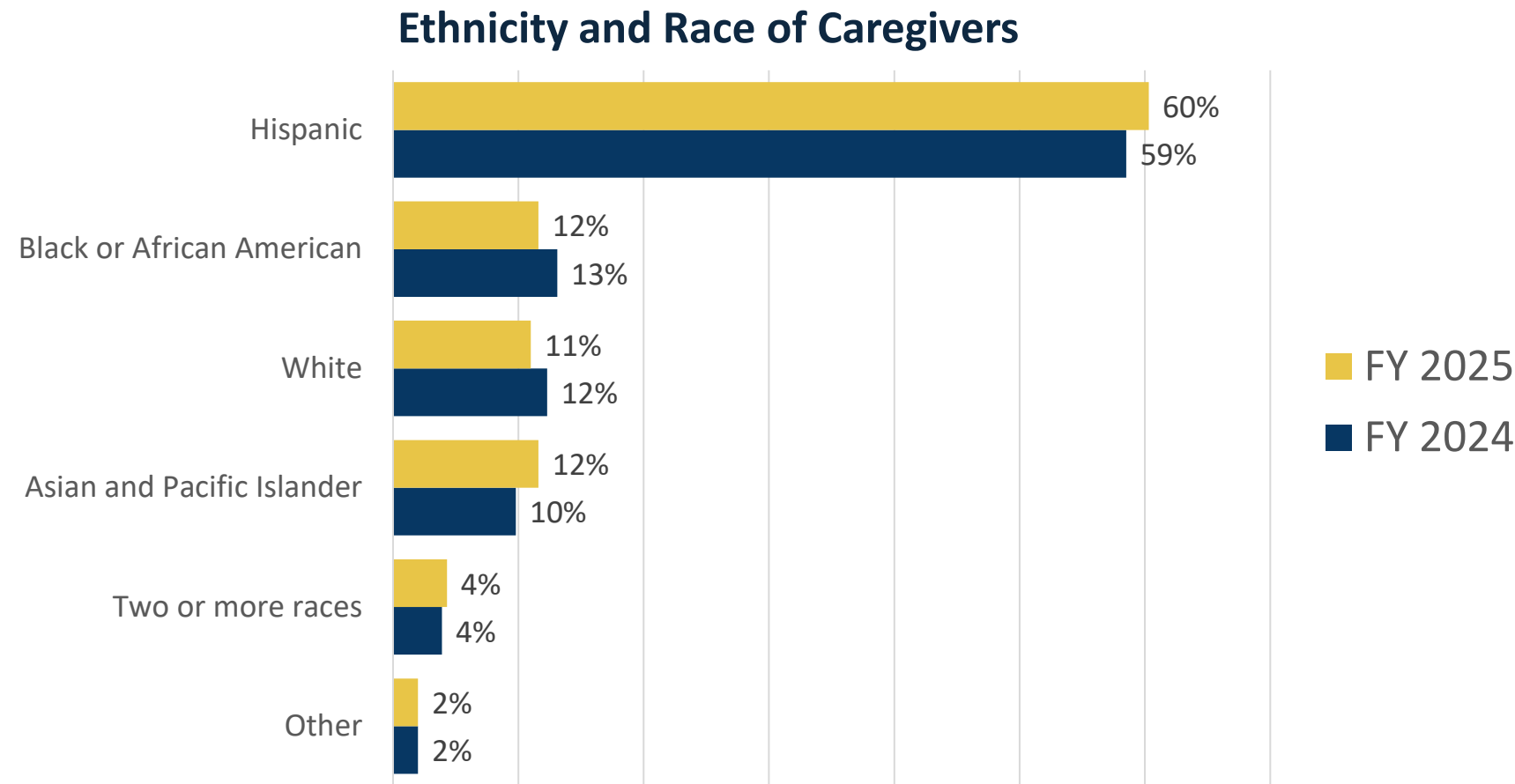
Total children:
FY 2025 = 6,670
FY 2024 = 7,372



Note: Ethnicity and race are unknown for 4,208 or 63% of children in FY 2025 and 4,945 or 67% of children in FY 2024

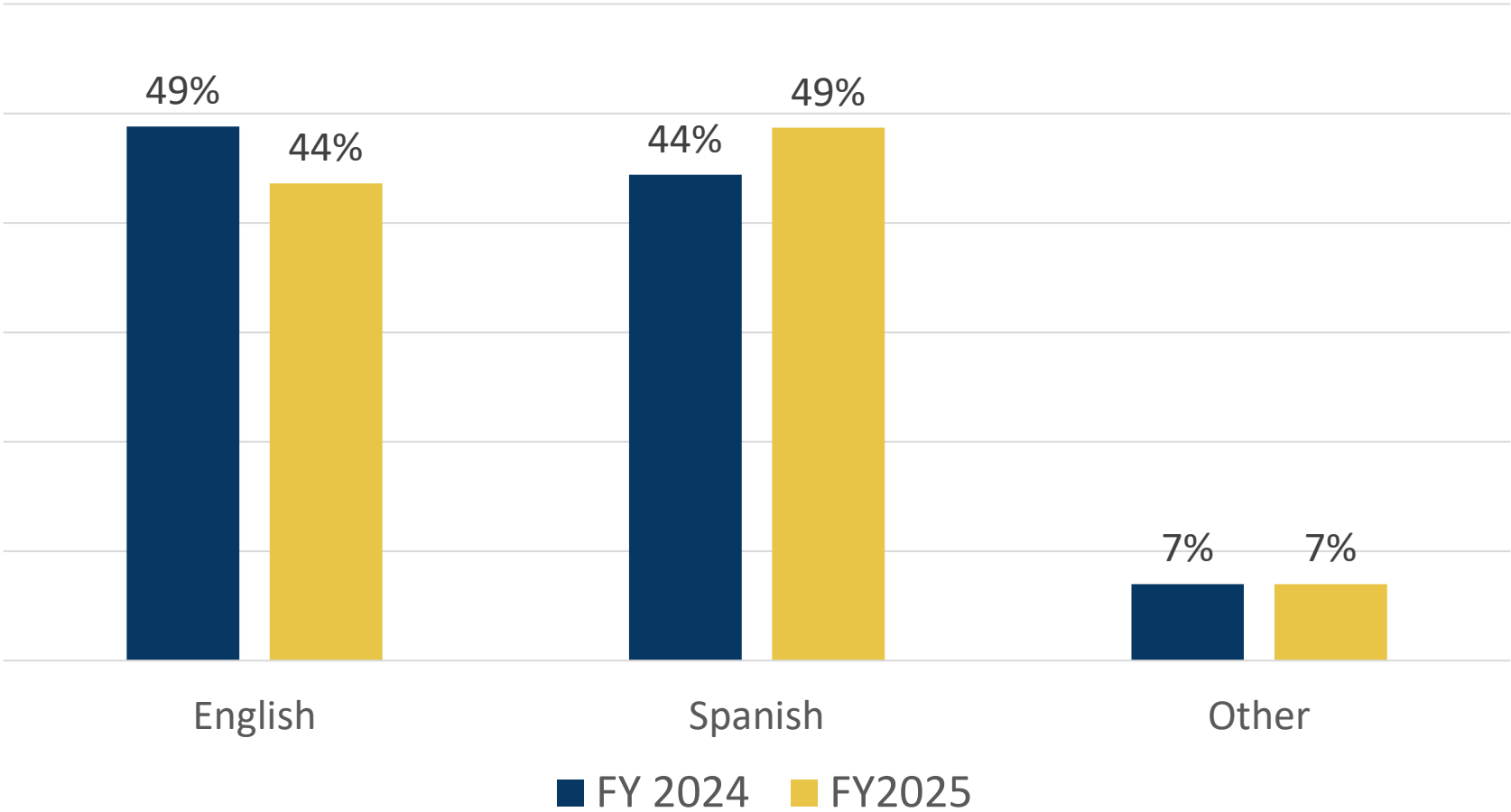
AR-2: Unduplicated Caregivers Served

Total caregivers:
FY 2025 = 6,995
FY 2024 = 7,550



Note: Ethnicity and race are unknown for 2,899 or 41% of caregivers in FY 2025 and 3,372 or 45% of caregivers in FY 2024

AR-2: Unduplicated Caregivers by Primary Language Spoken in FY 2024 and FY 2025



The Annual Report does not ask for **provider** data by language

Note: Primary language was unknown for 1,348 or 18% of caregivers in FY 2024 and 564 or 8% of caregivers in FY 2025.

AR-3: Community Highlights



- The Ready Kids East County (RKEC) **Womb to Classroom** initiative provided culturally responsive supports, resources, and programming for African American/Black children and families, fostering community engagement, early education access, and parent empowerment.
- The **Inclusion in Early Learning Project** improved early childhood educators' ability to support children with disabilities and social-emotional needs through community-informed recommendations, targeted training, resource provision, and culturally responsive supports, benefiting hundreds of providers, children, and families.

AR-3: Evaluation Summary

- Community Resource Specialists at First 5 Centers helped **814** caregivers access community services - **98%** of participants satisfied with community resource services and **77%** were “completely” able to access programs and services to which they were referred
- Developmental playgroup exit surveys – **100%** of caregivers would recommend playgroup to others and **94%** reported their child’s developmental skills improved
- **54** professional trainings and events were held for **874** early care and education providers. Of those who completed surveys, **92%** reported the trainings’ learning objectives were met and **69%** indicated they would change their practice because of training.





What's next?

- Seek commission approval
- Submit to First 5 California
- Bring FY 2025 end-of-the-year findings to the December meeting



STAFF REPORT
October 27, 2025

ACTION: X

DISCUSSION:

TITLE: Consider accepting the 2026 Health and Dental premium contribution rates.

Introduction:

From its inception, the Commission has chosen to participate in the County’s health benefit plan for First 5 Contra Costa employees. Each year, the County negotiates premiums with health insurance carriers and provides the rate sheets to First 5 Contra Costa, listing the employer and employee contributions based on negotiated rates with providers. Since 2012, the Commission has adopted an eighty percent (80%) employer, and twenty percent (20%) employee contribution split on health premiums for active employees who work twenty (20) hours or more per week. Dental rates for active employees, as well as health and dental rates for retirees, are at the same level as the County. The employer portion of retiree health and dental contributions is paid out of the First 5 Contra Costa CERBT trust. First 5 Contra Costa does not contribute to health or dental premiums for intermittent and permanent part-time employees, who work less than twenty (20) hours per week, COBRA participants, or survivors of retirees. Rate sheets are attached.

The Commission sets the rates and contribution levels at this meeting, signaling the beginning of open enrollment. The open enrollment window will be from November 1, 2025, to November 15, 2025.

Background:

Eight (8) health plans are available through three (3) different providers in combination with a Health Savings Account (HSA). Two dental plans are offered. A voluntary vision plan is also offered, but it is paid entirely by employees.

The Contra Costa County Board of Supervisors approved the 2026 premiums for health and dental rates on September 10, 2025. There is no rate increase to dental plans. Rate increases for the 2026 health plan providers are shown below:

HEALTH PLAN PROVIDERS	2026 INCREASE
CONTRA COSTA HEALTH PLAN A & B	7.24%
KAISER PERMANENTE - BASIC PLAN A, B, and HIGH DEDUCTIBLE (HD)	9.26%
HEALTH NET SMARTCARE BASIC PLAN A and B	8.84%
HEALTH NET PPO PLAN - BASIC PLAN A	11.63%

Below are the projected health and dental plan costs for 2026. Projections are based on all budgeted positions being staffed for the full calendar year, twelve (12) months. Various qualifying events can result in a different mix of employee plan choices, and actual costs may be higher than projected. Qualifying events may include marriage, a newborn child, a new hire, death, divorce, adoption, separation, etc., which may cause employer contributions to fluctuate.

Comparison Years	2025	2026
Positions eligible to receive health and/or dental benefits	27	27
Annual employer contributions	\$593,794	\$616,889
Variance from the previous year	-6%	3.89%

Recommendation:

Staff recommend the Commission approve the 2026 health and dental employer-paid premium contribution rates for active employees; and accept the 2026 contribution rates for intermittent employees, COBRA participants, retirees, and survivors at the same levels as the County.

2026 MONTHLY MEDICAL AND DENTAL PLAN PREMIUMS
EMPLOYEES OF FIRST 5
PERMANENT FULL TIME AND PART TIME EMPLOYEES SCHEDULED TO WORK AT LEAST 20 HOURS PER WEEK

PLAN/COVERAGE DESCRIPTION	TOTAL MONTHLY PREMIUM	COUNTY MONTHLY SUBSIDY	EMPLOYEE MONTHLY SHARE	
CONTRA COSTA HEALTH PLAN - BASIC PLAN A				
Employee on Basic Plan	\$1,357.37	\$1,085.90	\$271.47	
Employee & 1	\$2,714.69	\$2,171.76	\$542.93	7.24%
Employee & 2 or more dependents on Basic Plan	\$4,072.08	\$3,257.67	\$814.41	
CONTRA COSTA HEALTH PLAN - BASIC PLAN B				
Employee on Basic Plan	\$1,504.66	\$1,203.73	\$300.93	
Employee & 1	\$3,009.30	\$2,407.44	\$601.86	7.24%
Employee & 2 or more dependents on Basic Plan	\$4,513.98	\$3,611.19	\$902.79	
KAISER PERMANENTE - BASIC PLAN A				
Employee on Basic Plan	\$1,072.22	\$857.78	\$214.44	
Employee & 1	\$2,144.44	\$1,715.56	\$428.88	9.26%
Employee & 2 or more dependents on Basic Plan	\$3,216.66	\$2,573.33	\$643.33	
KAISER PERMANENTE - BASIC PLAN B				
Employee on Basic Plan	\$852.18	\$681.75	\$170.43	
Employee & 1	\$1,704.36	\$1,363.49	\$340.87	9.26%
Employee & 2 or more dependents on Basic Plan	\$2,556.54	\$2,045.24	\$511.30	
KAISER PERMANENTE - HIGH DEDUCTIBLE PLAN				
Employee on Basic Plan	\$684.16	\$547.33	\$136.83	
Employee & 1	\$1,368.32	\$1,094.66	\$273.66	9.26%
Employee & 2 or more dependents on Basic Plan	\$2,052.48	\$1,641.99	\$410.49	
HEALTH NET SMARTCARE - BASIC PLAN A				
Employee on Basic Plan	\$2,079.44	\$1,663.56	\$415.88	
Employee & 1	\$4,158.88	\$3,327.11	\$831.77	8.84%
Employee & 2 or more dependents on Basic Plan	\$6,238.32	\$4,990.66	\$1,247.66	
HEALTH NET SMARTCARE - BASIC PLAN B				
Employee on Basic Plan	\$1,391.28	\$1,113.03	\$278.25	
Employee & 1	\$2,782.56	\$2,226.05	\$556.51	8.84%
Employee & 2 or more dependents on Basic Plan	\$4,173.84	\$3,339.08	\$834.76	
HEALTH NET PPO PLAN - BASIC PLAN A				
Employee on Basic Plan	\$4,601.05	\$3,680.84	\$920.21	
Employee & 1	\$9,202.10	\$7,361.68	\$1,840.42	11.63%
Employee & 2 or more dependents on Basic Plan	\$13,803.15	\$11,042.52	\$2,760.63	

2026 MONTHLY MEDICAL AND DENTAL PLAN PREMIUMS

EMPLOYEES OF FIRST 5

PERMANENT FULL TIME AND PART TIME EMPLOYEES SCHEDULED TO WORK AT LEAST 20 HOURS PER WEEK

NO CHANGE TO DENTAL RATES

PLAN/COVERAGE DESCRIPTION		TOTAL MONTHLY PREMIUM	COUNTY MONTHLY SUBSIDY	EMPLOYEE MONTHLY SHARE
DELTA DENTAL PREMIER PPO - \$1,800 Annual Maximum				
For CCHP Plans	Employee	\$46.52	\$41.17	\$5.35
	Employee + 1	\$105.08	\$93.00	\$12.08
	Employee + 2 or more	\$105.08	\$93.00	\$12.08
For Health Net Plans	Employee	\$46.52	\$34.02	\$12.50
	Employee + 1	\$105.08	\$76.77	\$28.31
	Employee + 2 or more	\$105.08	\$76.77	\$28.31
For Kaiser Permanente Plans	Employee	\$46.52	\$34.02	\$12.50
	Employee + 1	\$105.08	\$76.77	\$28.31
	Employee + 2 or more	\$105.08	\$76.77	\$28.31
Without a Health Plan	Employee	\$46.52	\$43.35	\$3.17
	Employee + 1	\$105.08	\$97.81	\$7.27
	Employee + 2 or more	\$105.08	\$97.81	\$7.27
DELTA CARE (HMO)				
For CCHP Plans	Employee	\$24.17	\$24.17	\$0.00
	Employee + 1	\$52.23	\$52.23	\$0.00
	Employee + 2 or more	\$52.23	\$52.23	\$0.00
For Health Net Plans	Employee	\$24.17	\$21.31	\$2.86
	Employee + 1	\$52.23	\$46.05	\$6.18
	Employee + 2 or more	\$52.23	\$46.05	\$6.18
For Kaiser Permanente Plans	Employee	\$24.17	\$21.31	\$2.86
	Employee + 1	\$52.23	\$46.05	\$6.18
	Employee + 2 or more	\$52.23	\$46.05	\$6.18
Without a Health Plan	Employee	\$24.17	\$24.17	\$0.00
	Employee + 1	\$52.23	\$52.23	\$0.00
	Employee + 2 or more	\$52.23	\$52.23	\$0.00
VSP VOLUNTARY VISION PLAN				
	Employee	\$8.55	\$0.00	\$8.55
	Employee + 1	\$17.10	\$0.00	\$17.10
	Employee + 2 or more	\$27.54	\$0.00	\$27.54



**Staff Report
October 27, 2025**

ACTION: X
DISCUSSION:

TITLE: **Staff Report to Terminate Lease for Current First 5 Administrative Offices and to Authorize the Executive Director or her Designee to Identify and Secure New Office Space**

Background:

First 5 Contra Costa has maintained its administrative offices at 4005 Port Chicago Highway, Suite 120, Concord, California 94520 since February 2022. The agency leases this space from Sierra Pacific Properties, Inc. (SPPI) at a monthly cost of \$38,035, inclusive of the rent and operating fee; the annual cost of the lease totals \$456,420. The initial term of the lease was 64 months and is set to expire in June 2027.

The suite features more than 15,000 square feet of space, but the size of the First 5 Contra Costa workforce has shrunk significantly since moving in, such that a suite of this capacity is no longer necessary. Moreover, given the significant and unexpected decline in Proposition 10 sales tax revenue and First 5 Contra Costa's determination to live within available resources as per the 2025 Sustainability Plan, staff began reviewing ways to cut expenses. Reducing rent expense seemed like an impactful first step.

Information:

Staff reached out to SPPI to let them know of First 5 Contra Costa's financial condition, our desire to vacate the premises, and our hope of terminating the lease in a mutually beneficial manner. Staff did just that by finding a potential tenant who was willing to take over the entire First 5 Contra Costa space and who would be an acceptable tenant for SPPI.

SPPI, therefore, has agreed to allow First 5 Contra Costa to terminate its lease under the following conditions:

- SPPI will create a lease termination agreement with conditions for First 5 Contra Costa to vacate Suite 120 at 4005 Port Chicago Highway.
- The lease termination date will be December 31, 2025



- First 5 Contra Costa will pay SPPI an early lease termination fee of \$10,000
- First 5 Contra Costa will pay rent through December 31, 2025

Upon vacating the 4005 Port Chicago Highway office space in December, naturally staff would be looking for new office space that more fully meets the current needs of First 5 Contra Costa. Such a search would include the following goals:

- Secure space that is centrally located, preferably in Concord, and can be occupied beginning on January 1, 2026
- Downsize floor space to roughly half the square footage of our current office space
- Reduce rental expenses to roughly half the current rate (the Commission-approved budget for FY 2025/26 includes rental of the administrative offices at \$456,420 annually or \$38,035 per month. Staff would seek space costing around \$19,000 per month to achieve savings of approximately \$228,000 annually
- Maintain easy access to parking
- Maintain space readily accessible to highway and public transportation, and
- Secure space with the ability to host public Commission meetings and community activities aligned with the approved Strategic Plan and annual budget

Once new office space is identified that largely meets the above goals, staff would execute new lease documents to secure the space and prepare to move in. Staff will then bring the new lease back to Commission for formal approval/ratification.

Recommendation:

Approve the lease termination agreement from SPPI per the terms listed, authorize the Executive Director or her designee to negotiate the disposition of current office furniture with the new tenant, and authorize the Executive Director or her designee to identify and secure new office space for First 5 Contra Costa's administrative offices that supports the operational needs of the Commission and staff.

Final Sustainability Plan: ***Overview & Recommendations***

Presentation to First 5 Contra Costa Commission

October 27, 2025

Presentation Overview

- Sustainability Plan Sections
- Four Pillars
- Plan Development Process
- Key Findings and Observations
- Recommendations
- Next Steps (Implementing the Plan)
- Discussion and Questions



Sustainability Plan Sections

1. Message to the Community (Ruth and John)
 2. Why a Sustainability Plan is Needed
 3. What is Sustainability: The Four Pillars
 4. Plan Development Process
 5. Key Findings and Observations
 6. Recommended Actions
 7. Next Steps
 8. Conclusion
 9. Acknowledgements
- 

Four Pillars of Sustainability

Each is distinct but connects to the others in multiple ways, creating an interactive synergy across the four pillars.



Plan Development Process

WORKING GROUP

Primary and Alternate Commissioners and First 5 Executive Team met six times during the project.

FIRST 5 STAFF

Staff were updated regularly about timelines, process, and intended goals for the plan. They received a draft of the plan and provided comments on the draft.

DATA ANALYSIS

The team reviewed years of revenue and expenditure data and analyzed trends in tobacco tax revenues.

KEY INFORMANTS

The project consultant interviewed 17 key interest holders ranging from elected officials to appointed commissioners.

LANDSCAPE ANALYSIS

The consultant reviewed previous work related to First 5 commissions, revenues, and the fiscal and political environment.

Fiscal Projection w/o Spending Reduction

	FY 26/27 - FY 30/31 Year End Projection				
	FY 26/27 Projected	FY 27/28 Projected	FY 28/29 Projected	FY 29/30 Projected	FY 30/31 Projected
Revenues					
Prop 10 Tobacco Tax	3,618,616	3,401,499	3,197,409	3,005,565	2,825,231
Prop 56 Backfill	1,720,309	1,686,695	1,653,739	1,621,426	1,589,745
CECET	100,896	101,939	102,993	104,058	105,134
Subtotal Tobacco Tax	5,439,821	5,190,134	4,954,142	4,731,050	4,520,111
Other Revenue	4,190,598	4,274,410	4,359,898	4,447,096	4,536,038
Total Revenue	9,630,419	9,464,544	9,314,040	9,178,146	9,056,149
Expenditures					
Total Operating Expenses	11,153,852	11,488,467	11,833,121	12,188,115	12,553,758
Other financing sources/uses	11,207	11,767	12,356	12,973	13,622
Net Position Begin of Year	16,372,243	14,837,603	12,801,912	10,270,475	7,247,532
Net Position End of Year	14,837,603	12,801,912	10,270,475	7,247,532	3,736,300
Net Change in Fund Balance	(1,534,640)	(2,035,691)	(2,531,437)	(3,022,943)	(3,511,232)

Fiscal Projection With Spending Reduction

	FY 26/27 - FY 30/31 Year End Projection				
	FY 26/27 Projected	FY 27/28 Projected	FY 28/29 Projected	FY 29/30 Projected	FY 30/31 Projected
Revenues					
Prop 10 Tobacco Tax	3,618,616	3,401,499	3,197,409	3,005,565	2,825,231
Prop 56 Backfill	1,720,309	1,686,695	1,653,739	1,621,426	1,589,745
CECET	100,896	101,939	102,993	104,058	105,134
Subtotal Tobacco Tax	5,439,821	5,190,134	4,954,142	4,731,050	4,520,111
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Total Revenue	9,630,419	9,464,544	9,314,040	9,178,146	9,056,149
Expenditures					
Total Operating Expenses	11,153,852	9,464,544	9,314,040	9,178,146	9,056,149
Other financing sources/uses	11,207	11,767	12,356	12,973	13,622
Net Position Begin of Year	16,372,243	7,837,603	7,849,370	7,849,370	7,861,726
Net Position End of Year *	7,837,603	7,849,370	7,861,726	7,862,343	7,875,348
Net Change in Fund Balance	(8,534,640)	11,767	12,356	12,973	13,622

* Includes \$7 million set aside in a new contingency fund in FY 26/27 for emergency purposes.

Key Findings and Observations

1

Reserve balance is shrinking

Deficit spending has reduced the organization's fund balance significantly in recent years

2

Current spending cannot be sustained with current revenues

The organization must spend less, or risk financial instability. Prior operational shifts have helped, but more internal review is needed.

3

Diversifying revenues should be a critical focus

This will allow First 5 to maintain operations and programming and continue to meet its mission.



4

Organizational Structure provides opportunities and also some limitations

First 5's quasi-governmental status is generally seen as a strength; establishing a separate 501(c)(3) could offer additional flexibilities

5

Upcoming Strategic Plan is timely and important

Consider what programs to prioritize, how to drive systems change in the county, and where new partnerships are possible

6

First 5 has many strengths to build on

The organization is respected in the community and viewed as a leader in Contra Costa County

Recommended Actions

Short Term - Years 1-2 | Medium Term - Year 3 | Long Term - Years 4-5



Financial

SHORT TERM

Reduce Costs and Spending to Live Within Available Funds

Establish a Fund Balance Policy

SHORT TO MEDIUM TERM

Establish Baseline Funding Goals with Fund Development Goals Year-to-Year



Organizational

SHORT TERM

Review Owned & Rented Space and Identify Savings

Establish Fund Development Capacity

Create a 501(c)(3) Organization Under First 5 Contra Costa

Work w/ County Partner Agencies to Formalize Relationships

SHORT TO MEDIUM TERM

Continue to Review Org Needs & Revise Staffing Patterns

Diversify Funding Streams by Expanding and/or Developing New Relationships



Programmatic

SHORT TERM

Conduct Strategic Planning in Concert with Sustainability Efforts

Use Strategic Plan process as an opportunity to discuss Sustainability Plan efforts with community partners



Policy & Community

SHORT TERM

Develop Communication Plan to Share Efforts

LONG TERM

Take the Lead in Establishing a County Children's Fund

ONGOING

Efforts to Create a New State-Level Funding Source



Next Steps (Implementing the Plan)

After approval, several things will need to happen to begin and measure implementation.

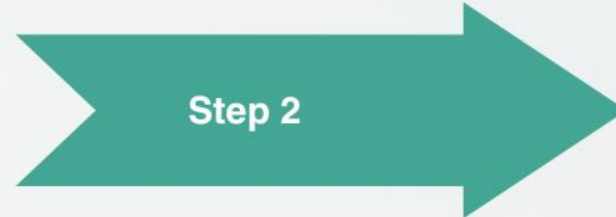


Step 1

Develop Tactical (Implementation) Plan

The organization will need to build out a plan with action steps and a timeline for accomplishing these tasks.

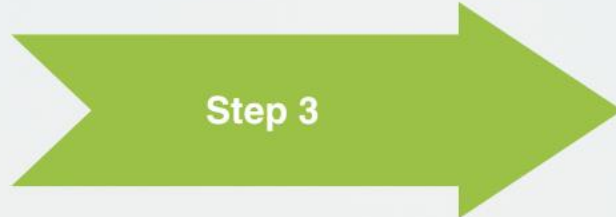
Developing the recommended communication plan will require First 5 Contra Costa to think through how to frame and talk about this sustainability work. This can help jump-start the development of new connections in the community.



Step 2

Develop Performance Indicators

How will the organization know when it has achieved success in delivering on the goal of long term sustainability? Simply checking off boxes on a plan is not enough to declare victory, and much of the work started by this plan - even if labeled “short term” - will certainly be ongoing. Organizational leaders will need to work with staff, Commissioners, and others to define and measure success.



Step 3

Monitor and Report Progress

Regular reporting at Commission meetings and internal staff meetings, at a minimum, on milestones and activities related to the Sustainability Plan will be critical to ensuring ongoing engagement, attention, and progress.



Discussion & Questions



The Next 25 Years: Building Sustainability for First 5 Contra Costa County

September 2025



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Foreword:

A Message to the Community

Dear Community Partners, Friends, and Allies,

First 5 Contra Costa is proud to share our 5-Year Sustainability Plan—a roadmap to secure our organization’s future and ensure that, for the next 25 years, children in Contra Costa County grow up **healthy, ready to learn, and supported by safe, nurturing families and communities.**

Created by California voters through Proposition 10, First 5 Commissions were designed to build an integrated, comprehensive, and collaborative system that prepares children for school and life. Today, declining revenues threaten this vision. While statewide efforts to address sustainability continue, First 5 Contra Costa is committed to meeting the growing needs of young children and families in our county.

Doing nothing is not an option. We must leverage the last 25 years of investments to expand and coordinate efforts that set every child on a path to thrive. Our Sustainability Plan outlines bold strategies to stretch our resources, build on community strengths, and drive innovative partnerships. This plan will complement and guide the development of our community priorities established in our Strategic Plan for FY 2026-27 through FY 2030-31.

Since Prop 10’s passage, research has only deepened the case for early investment in children’s health, learning, and family support—especially for those with the fewest resources. **This work is not only urgent but transformational, offering one of the most powerful prevention strategies for long-term community well-being.**

We cannot do this alone. By working together and aligning our strengths, we can co-create solutions that give every child in Contra Costa County the best possible start. **We invite you to join us in this effort**—dreaming, designing, and building a brighter future for our children.

In partnership and community,



Ruth Fernández, EdD
Executive Director



John Jones
Commission Chair



Introduction

Supportive and purposeful early childhood development is shown to set the groundwork for educational attainment, health, and well-being for children far beyond their first five years. In November 1998, California voters approved Proposition 10, the Children and Families Act of 1998, to create a locally driven system of early childhood services statewide. Specifically, this act placed a tax on cigarettes and other tobacco products to fund services and programs for children aged zero to 5.

For 25 years, Proposition 10 funding has supported a network of 58 county First 5 commissions as well as the state-level California First 5 Commission. Programs and services vary by county, with local oversight by appointed board members that include community leaders, practitioners, county officials, and involved parents.

In Contra Costa County, First 5 Contra Costa has served as a funder, convener, advocate, expert, and leader in early childhood systems for more than two decades. Its most recent [Strategic Plan](#)^{*} builds on this strong history and important community role, while also acknowledging uncertainties driven by pandemic-related issues, economic instability for many families in the region, and multiple crises facing families, such as job turnover and mental health needs.ⁱ

This Sustainability Plan is intended to enable First 5 Contra Costa to meet the future with effective strategies in place to continue its work supporting children, families, and communities—for the next 25 years.

^{*}Download at bit.ly/first5contracosta-strategic-plan-2023-2026

Why a Sustainability Plan?



When voters approved Proposition 10, it was no secret that tobacco tax revenue would likely be a declining source of revenueⁱ. The Legislative Analyst's Office wrote the original voter guide description, noting that the increased tax on tobacco products contained in the measure would likely be passed on to consumers, resulting in declining consumption of these products and therefore decreasing revenues over time.ⁱⁱ This assumption has come to pass, with further declines in tobacco usage over time due to additional measures passed by voters as well as effective public awareness campaigns by the state that have contributed to a decline in cigarette consumption that continues year to year.

Proposition 56, enacted by voters in November 2016, placed an additional \$2 per pack tax on cigarettes. While the later proposition included provisions to provide funds to First 5 commissions to backfill lost Proposition 10 revenues, this backfill has not kept pace with the overall decline in tax revenues from tobacco products over time, and total funding from these two sources continues to drop.

ⁱIn this report, we will refer to the combined Proposition 10, Proposition 56, and related funding (such as interest income) provided to the county commissions by the state as "tobacco tax revenues" for ease of reference.



In addition, the state’s ban on flavored tobacco, which took effect in late 2022, caused a significant, short-term drop in sales and related tax revenues, though the economist who provides analysis and projections to California First 5, Brad Williams of Capitol Matrix Consulting, believes we will be reaching the end of that steeper pattern of decline in the near future.ⁱⁱⁱ In the same memo, Mr. Williams notes that inflationary increases in the price of cigarettes have also played a role in reducing sales of those products.

In sum, all of these factors have contributed over time to a situation where many (if not most) county First 5 Commissions, including First 5 Contra Costa, are grappling with the effects of long-term declines in the primary sources of revenue for their programs and services. Statewide, the total tobacco tax revenues allocated to county First 5 commissions dropped from \$342 million in 2014-15 to \$245 million in 2024-25.

Capitol Matrix Partners provided First 5 California a “main” estimate and a “conservative” estimate of tobacco tax revenues over the coming few years, shown in Table 1. Note that some additional smaller funding provided to county commissions, including interest earned on revenues, is not reflected in these numbers.

TABLE 1:

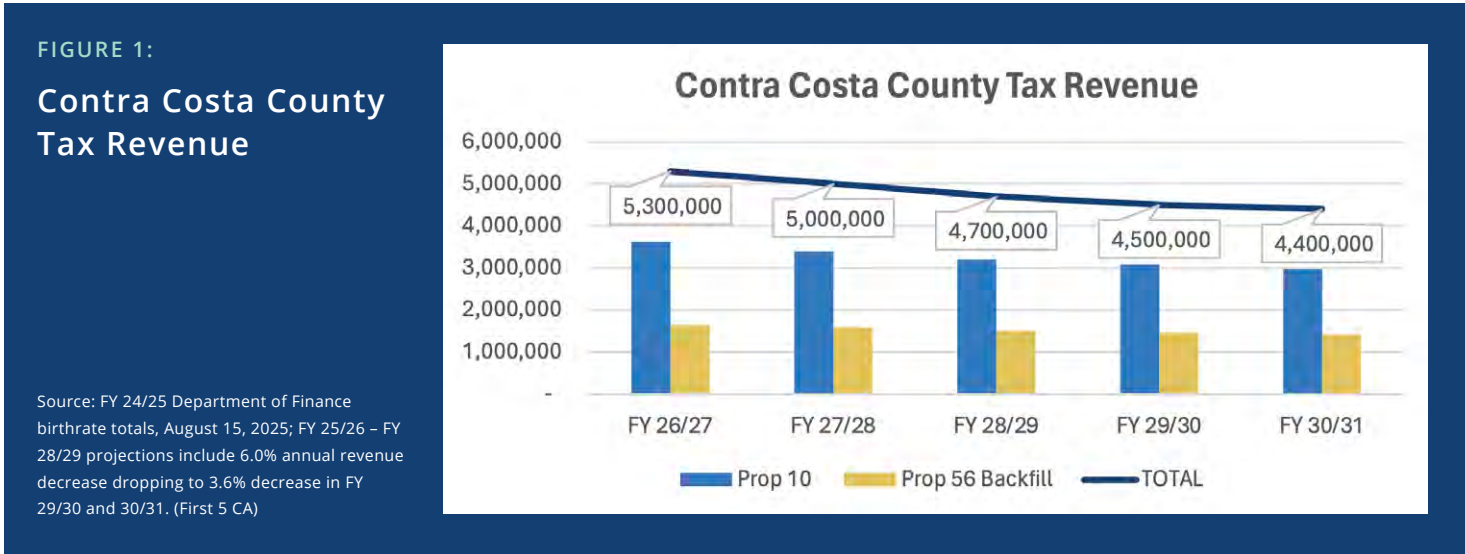
Statewide Proposition 10 + Proposition 56 Funding Projections, 2024-25 to 2029-30

Source: Capitol Matrix Consulting, July 23, 2025 memo to First 5 California. *Reflects Prop 10 funds minus payments to other funds required by the proposition, plus backfill funds from Prop 56. It also includes funds that First 5 California retains for its operations, in addition to the funds it will send to county commissions.

Year(s)	Main Estimate		Conservative Estimate	
	Percent Decline	Revenues*	Percent Decline	Revenues
2024-25	-4.5%	\$287 million	-6.0%	\$286 million
2025-26	-4.5%	\$276 million	-6.0%	\$269 million
2026-27	-4.5%	\$267 million	-6.0%	\$253 million
2027-28	-4.5%	\$259 million	-6.0%	\$240 million
2028-29	-3.3%	\$252 million	-3.6%	\$229 million
2029-30	-3.3%	\$246 million	-3.6%	\$221 million

Declining County Tobacco Tax Revenues

For First 5 Contra Costa, annual tobacco tax revenues dropped from \$8.6 million in 2020-21 to \$5.9 million in 2024-25. Revenues are projected to continue declining into the future by 6.0% annually until 2028-29 when the decline is projected to slow to 3.6% according to estimates from First 5 California. The chart in Figure 1 reflects those changes in tobacco tax revenue for the next five years for First 5 Contra Costa.



Actions Taken to Lower Spending

Over the past several years, First 5 Contra Costa has systematically adjusted its spending to align with reduced state tobacco tax funding levels, demonstrating prudent and strong commitment to fiscal stewardship. This commitment is clearly articulated in its current strategic plan, which articulates conceptual sustainability approaches that are further refined and discussed in this sustainability plan.

On the programmatic side of the organizational chart, leaner spending strategies have included restructuring staff roles and streamlining programmatic efforts to capitalize on natural attrition such as retirements and staff transitions. In addition to reducing the number of program, data, policy, and communications positions, the remaining roles were adapted to be more generalist in nature, rather than being attached to specific programmatic efforts. This approach will enable staff to take on a variety of projects and responsibilities based on their skill sets and strengths, and as the needs of the agency change over time. As a result of these efforts, a relatively lean and adaptable group of talented and knowledgeable program staff remain at the organization today.

On the operations side, First 5 Contra Costa is also assessing role decentralization and exploring greater use of contracted services for technical and intermittent tasks, such as accounting services. In addition, the organization is scrutinizing its operational spending, focusing on its capital assets and spending for rent for its primary administrative offices as well as property owned by the Commission. Currently, First 5 Contra Costa owns two of the buildings that house First 5 Centers and rents space for the other three. Costs for rent and upkeep on the buildings it owns are a relatively significant part of the organization’s annual budget.

While consistent efforts to reduce spending have been incrementally integrated into the organization’s fiscal planning in the last three years, to achieve long-term sustainability First 5 Contra Costa is now faced with difficult decisions that require more significant reductions in spending in the next two years.

What is Sustainability?

While the needs of young children prenatal to age 5 and their families will remain First 5 Contra Costa's priority, ensuring the sustainability of the organization is imperative to achieving targeted outcomes in the community. Looking into the future, First 5 Contra Costa's sustainability approach strives to **maintain a stable organization; build on and grow investments** for young children and families in the County through public and private funding partnerships; and **leverage the strengths and assets built** over the years to continue to make the case and successfully advocate for sustainable investments in early childhood.

As part of its 2023-2026 Strategic Plan, First 5 Contra Costa adopted a goal to develop and implement a 5-year Sustainability Plan. **Specific sustainability goals included:**



Identify and pursue diversified revenue sources such as local taxes, fees, and other public revenue streams in addition to philanthropic grants, while also exploring ways to match and/or braid external funding with Proposition 10 funds through partnerships;



Strategically and incrementally shift away from programs, activities, and services that are better aligned with local community partner organizations and that are outside the scope of First 5 Contra Costa's three focus areas;



Join advocacy efforts led by the First 5 Association of California, the Bay Area First 5 Executive Director's Group, and other First 5 Network leadership to identify new and stable revenue sources for First 5 Commissions that leverage declining Proposition 10 revenue statewide;



Use data to support and drive actions, including sustainability targets and benchmarks and return on investment; and



Re-evaluate the amount to set aside in a Contingency Fund each year





This Sustainability Plan is the culmination of an eight-month effort to develop a framework for organizational sustainability. The plan identifies a number of short-, medium-, and longer-term strategies to ensure the organization has the resources to continue to accomplish the vision and mission of the First 5 Contra Costa Commission and accomplish the goals set forth in the Strategic Plan, through both internal and external activities that will take place in the coming months and years.

The plan is intended to inform and determine the level of resources available for the upcoming development of the organization's next Strategic Plan. These sustainability strategies will need deeper reviews of fiscal, organizational, and programmatic aspects of the organization to be implemented.

While the needs of young children prenatal to age 5 and their families will remain First 5 Contra Costa's priority, ensuring the sustainability of the organization is imperative to achieving targeted outcomes in the community.

Key Elements of Sustainability Planning

The basic idea of sustainability planning is to plan for the future, often in the face of known challenges, while safeguarding present operations and gaining flexibility to meet the unknown challenges that inevitably lie ahead. Many industries undertake sustainability planning efforts, for various reasons and under a variety of circumstances. In the non-profit and public service sectors, for example, organizations often face tight budgets and serve vulnerable populations. Sustainability in this context is not just about the survival of an organization, but about the continuation of services to communities through mission-driven work, collaboration, and avoiding gaps or harm should changes in funding, leadership, and/or public policy priorities occur.

Four Pillars of Sustainability

To achieve overall sustainability, an organization should attend to four key areas, considering ways to improve each area in order to drive long-term sustainability. **Briefly, the four pillars are defined as:**



Financial Stability

Ensure the organization has a diverse and stable funding base to support its long-term mission.



Organizational Stability

Strengthen internal capacity, leadership, and partnerships to sustain operations long-term.



Programmatic Stability

Ensure that core services and programs remain viable and continue to meet community needs.



Policy and Community Stability

Advocate for system change that supports long-term investments in early childhood programs in Contra Costa County.



Each of these pillars are explained in more detail in the graphic on the next page.

In our process we have considered the current landscape of each of the four pillars, where the organization currently sits in each of the four areas, and what core services the organizations provides. This plan identifies sustainability strategies in each area.

Four Pillars of Sustainability

Each is distinct but connects to the others in multiple ways, creating an interactive synergy across the four pillars.



Financial Sustainability

Ensure the organization has a diverse and stable funding base to support its long-term mission.

- Diversify revenue sources
 - Ex: Reduce reliance on tobacco tax revenues by securing new fund sources
- Address budget imbalances
 - Ex: Reduce spending to live within available resources
- Ensure future flexibility by maintaining a reserve
 - Ex: Establish a fund balance policy and re-establish a contingency fund goal and usage policies



Organizational Sustainability

Strengthen internal capacity, leadership, and partnerships to sustain operations long-term.

- Build strong leadership and governance
 - Ex: Develop a leadership pipeline to smooth transitions in executive roles
- Enhance staff capacity
 - Ex: Invest in staff training and professional development
- Review organization space needs to identify savings
 - Ex: Identify potential savings from consolidating or reducing owned and rented spaces



Programmatic Sustainability

Ensure that core services and programs remain viable and continue to meet community needs.

- Align with community needs
 - Ex: Partner with schools, healthcare providers, and social services agencies to align early childhood efforts across systems
- Evaluate effectiveness
 - Ex: Conduct impact assessments to determine which programs have the greatest return
- Target fundraising efforts to fill identified gaps



Policy & Community Sustainability

Advocate for system change that supports long-term investments in early childhood programs in Contra Costa County.

- Pursue funds to support early childhood investment
 - Ex: Work with statewide networks to push for new ongoing funding
- Increase public and community support for early childhood services
 - Ex: Strategic communication and grassroots engagement
- Embed early childhood priorities in larger systems
 - Ex: Advocate in federal, state and county budget processes

Sustainability Planning vs. Strategic Planning

A key issue to address is the difference between Sustainability Planning and Strategic Planning. **While related, these are not the same thing.**



Strategic Planning

Strategic Planning focuses on setting an organization's vision, goals, and priorities over a defined period of time, typically 3 to 5 years. It charts a specific course to achieve mission-driven success.



Sustainability Planning

Sustainability Planning, on the other hand, is about ensuring the ongoing viability of an organization. In this case, short-term financial considerations are paramount for First 5 Contra Costa, given that revenue from Propositions 10 and 56 continues to decline and the organization has been tapping its reserves to sustain its operations. This plan sets out a series of quick and thoughtful actions, helping the organization to avoid making rash decisions in the face of a growing financial crisis. The plan also includes longer-term actions that can help it stay on the path of sustainability.

In practice, Strategic Planning and Sustainability Planning should be complementary. In our work, we have timed the development and approval of key strategies contained in the sustainability plan to coincide with the upcoming First 5 Contra Costa strategic planning process, to provide an overall sustainability framework for the organization as it embarks on planning its specific programs and activities for the coming strategic plan period.



Sustainability Plan Development Process

A number of activities fed into the development of this Sustainability Plan. These included creation of a Working Group to provide guidance and feedback, informational interviews with a number of key individuals within the county, staff input, analyses of the organization's prior-year and projected fiscal data, and an analysis of the landscape in which the organization operates.

The graphic on the right shows the activities undertaken by the organization during this process, some of which are further discussed below.

Working Group

CEO Cathy Senderling-McDonald of Catbird Strategies LLC served as the project consultant, working closely with Executive Director Dr. Ruth Fernandez and her executive team throughout the eight-month project span. The project was advised by a working group that met 6 times over the project period. Participants included Commission members, the First 5 Contra Costa Executive Director, and key First 5 Contra Costa executive-level staff, detailed in Table 2.

Plan Development Process



TABLE 2:

Sustainability Plan Working Group

Working Group Member	Role
Ruth Fernandez, EdD	First 5 Contra Costa, Executive Director
Sandra Naughton	First 5 Contra Costa, Deputy Director
Kelly Sessions	First 5 Contra Costa, Finance & Operations Director
John Jones	District V, Commissioner/Commission Chair
Susanna Marshland	District I, Alternate Commissioner
The Hon. Candace Andersen	District II Alternate Commissioner, County Supervisor
Gareth Ashley	District IV, Alternate Commissioner



With the help of the Working Group, First 5 Contra Costa and Ms. Senderling-McDonald were able to examine key elements of the organization corresponding to the Four Pillars of Sustainability and discuss ideas and options with a knowledgeable group of engaged partners. This work enabled a robust thought process and encouraged the development of a plan that aims high while also being grounded in the realities of available revenues, the current political and economic climate, and the requirements of Proposition 10.

Key Informant Interviews

To obtain a broader understanding of the organization’s partnerships and the engagement of county officials and leaders with First 5 Contra Costa, Ms. Senderling-McDonald conducted informational one-on-one interviews with 17 key interest holders. This included all current elected Board of Supervisors members; several primary or alternate representatives to the First 5 Commission; representatives from three county departments—Health, Employment and Human Services, and the County Administrator’s Office; First 5 Contra Costa executive staff; and nearly all working group members.

“

We appreciate that First 5 Contra Costa authentically partners with emerging programs, supports systems serving children, and engages with non-profits that are doing well and others that may be struggling. We have seen them as a backbone for early childhood issues in the county, a convener and mover of policy and practice.”

”

Devorah Levine
Executive Director, Leshner Foundation

Suggested interview questions were vetted by First 5 staff and interviewees were informed that their individual responses would be kept confidential, though they would be used in aggregate to assist in developing this plan.

Notable in the interviews was a strong enthusiasm for the work of First 5 Contra Costa and broad agreement on the need to ensure the organization can sustain itself going forward. Those interviewed expressed support for the mission and goals of the organization and often offered to assist in various aspects of implementing the final Sustainability Plan, once completed. As most of the interviewees work outside of the organization itself, they generally had less familiarity with the day-to-day operations of the organization; still, most demonstrated a deep understanding of the overall goals, purpose, and history of First 5 and also had a history of engagement with First 5's Executive Team and other staff in various ways during their careers, as residents of the county, or as Commissioners.

A number of key themes emerged from the informational interviews, which were shared and further examined with the Working Group members. These themes included a number of strength areas noted by the interviewees, with the most frequently mentioned key contributions that First 5 Contra Costa makes to the community being:



A Broker of Services and Support to Strengthen Families

While First 5 Contra Costa does not provide direct services to families and children, it is well-known for contracting for the operation of five First 5 Centers located across the county. The value of these centers was discussed in nearly all interviews.

First 5 also supports training and professional development for providers and drives quality improvement activities for early care and education in the county, which was commonly mentioned. A number of interviewees also mentioned that they had received First 5-supported information boxes in the hospital when their babies were born.



“

With everything at the federal level and how that's impacting the state budget also, First 5 Contra Costa might serve as a trusted messenger for parents about what is going on in other programs they are enrolled in. First 5 may serve the families and children already, so helping them—for example, to keep their Medi-Cal coverage—that's a win-win.

”

Dr. Ori Tzvieli
Director, Contra Costa Health



A Convener of Child-Serving Organizations in the County

First 5 Contra Costa is seen as a community leader and an organization that brings together others that share the mission and goals of ensuring children in our county reach their full potential by focusing on the most critical years of development—prenatal through age 5. Interviewees expressed ideas for the organization to further build its relationships with local organizations, including employers and businesses, cities, school boards, and other family-focused groups.



A Funder of Organizations Working in the Early Childhood Arena

Historically, First 5 commissions have been grantmakers to other local organizations of various sizes doing solid work to support young children and their families. First 5 Contra Costa has a network of current and former grantees and solid relationships that could serve as a springboard for sustainability efforts.



“The Expert” in Early Child Development and Care

First 5 Contra Costa has well-respected staff that are seen as knowledgeable leaders in the area of early childhood, child care, and the needs of young children and their families. Interviewees mentioned this reputation as a potential opportunity to develop new funding partnerships and programmatic opportunities as part of the Sustainability Plan.

Overall, the interviews were highly informative and provided not only a robust picture of how the organization is viewed by its community partners and county leadership but also identified some potential partnerships and opportunities to explore in implementing the Sustainability Plan.



“

We are in need of someone convening the sector together to do group planning. I've seen with efforts in the past, they can kind of lose energy. It's so easy to get pulled in other directions if you're not really focused on early childhood. We need someone who can give that focus to the effort, which First 5 Contra Costa can.

”

John Jones
Chair, First 5 Contra Costa Commission



Landscape Analysis

A number of structural and environmental factors affect First 5 Contra Costa, that are useful to enumerate and consider when developing this plan.

Structural Factors

First 5 Contra Costa was established by the Contra Costa County Board of Supervisors in 1999 as an independent public entity following the California Children and Families Act of 1998 (Proposition 10). Prop 10 allowed counties to structure their First 5 Commissions either as independent entities or as part of county agencies. First 5 Contra Costa was established as an independent public entity under Ordinance No. 99-15.

Other First 5 commissions face similar sustainability challenges to First 5 Contra Costa, prompting studies on the effectiveness of different structural models. For example, in 2018, First 5 Sonoma's Ad Hoc Sustainability Committee conducted a study on its structure as part of the Sonoma County Department of Health Services. The study found that of the 58 counties, 34 had independent entities, 13 were standalone county departments, and nine were embedded within county departments. Several counties, including Sonoma, later converted to independent agencies to improve sustainability, streamline operations, and better meet Prop 10's intent. Sonoma's study led to a unanimous recommendation to become an independent agency, adopted by the Board of Supervisors in March 2019.

While each county is unique, First 5 Sonoma's findings highlight the benefits of independent First 5 Commissions in maximizing operational efficiency and aligning with Prop 10's goals. Many converted commissions reported that independence allowed them to avoid burdensome county regulations and better fulfill their mandate.

In summary, First 5 Sonoma's key findings from their analysis of the pros and cons of converting from a County embedded agency to an independent public agency looked at the factors described below:

1. Operational and administrative efficiency—reductions to staffing costs associated with managing Department and County administrative compliance, cost savings related to staff salaries and benefits, autonomy to procure lean and cost-efficient services (e.g. accounting/fiscal, legal support, IT, telecom, HR).
2. Maintaining public confidence in the Commission's work.

While each county is unique, First 5 Sonoma's findings highlight the benefits of independent First 5 Commissions in maximizing operational efficiency and aligning with Prop 10's goals.

3. Maintaining and enhancing political capital and relationships.
4. Assessing capacity to recreate First 5's infrastructure—determining if the commission and staff have overall organizational bandwidth and infrastructure to operate independently.

The decision to become independent allowed First 5 Sonoma to be more flexible and responsive in grantmaking and in their community convener efforts. Similarly, other counties found that independence improved their ability to deliver early childhood resources effectively.

First 5 Contra Costa's independent structure provides flexibility in administration and operations. It allows for quicker decision-making, streamlined procurement, and more responsive programming, unlike county departments, which require approval from the Board of Supervisors. This autonomy helps First 5 Contra Costa act swiftly to serve families and children.



However, being separate from the county limits First 5 Contra Costa's involvement in county-wide planning for young children's resources. Effective coordination between agencies is critical to avoid duplication, maximize funding, and enhance impact. Some First 5 Commissions, like First 5 Sonoma, have formalized partnerships with their Boards of Supervisors to create interagency agreements and integrate First 5 as the **local early childhood expert** that can partner with the county as an intermediary and disseminate county funding on behalf of the county and its departments.

By intentionally relying on First 5 Contra Costa's expertise and flexibility, the county could achieve cost savings, better coordination, and greater impact across the early childhood system. These efficiencies not only support First 5 Contra Costa's sustainability but also strengthen the County's overall service delivery for young children and their families.

Environmental Factors

In addition to the above-mentioned challenges facing all local commissions related to tobacco tax revenue declines, First 5 commissions also are operating in an uncertain moment with regard to state and federal support and policies for child development, health, and human services related programs. The current-year California state budget already reflects vulnerabilities in terms of cost overruns in major programs such as Medi-Cal (the state's Medicaid health care program); however, the advent of the second Trump Administration in January 2025—including nearly immediate funding freezes and the passage of H.R.1, the "One Big Beautiful Bill"—has created further uncertainty across most governmental service providers. All of this federal-level unpredictability will almost certainly make it significantly more difficult to secure additional federal or state funding or seek policy changes that could be helpful to First 5 Contra Costa and other First 5 commissions facing budgetary pressures due to declining tobacco tax revenues.

Key Findings and Observations



The issues facing First 5 Contra Costa are largely financial in nature, driven by the decline in tobacco tax revenues and the drawdown of reserves over time. While there are both findings and recommendations in the other areas—operational, programmatic, and policy/community focused—the primary findings and, as a result, the primary recommendations, are driven by these financial realities.

Financial

- **Deficit budgeting has reduced reserve fund balance significantly**

First 5 Contra Costa has developed a pattern of deficit spending in each fiscal year, assuming a draw-down of its reserve funds to make up the difference between revenues and expenditures. The amount drawn from reserves has fluctuated and often been less than budgeted, but the fund balance is now at a point where its use as a balancer cannot be sustained. If current trends continue, the organization's fund balance will be exhausted after FY 30/31, causing a need for immediate and drastic action. Table 3 shows the current/status quo budget projections if changes are not made to reduce spending, increase revenues, or both.

TABLE 3:

Year End Projections with Status Quo Budget – FY 25/26 to 30/31

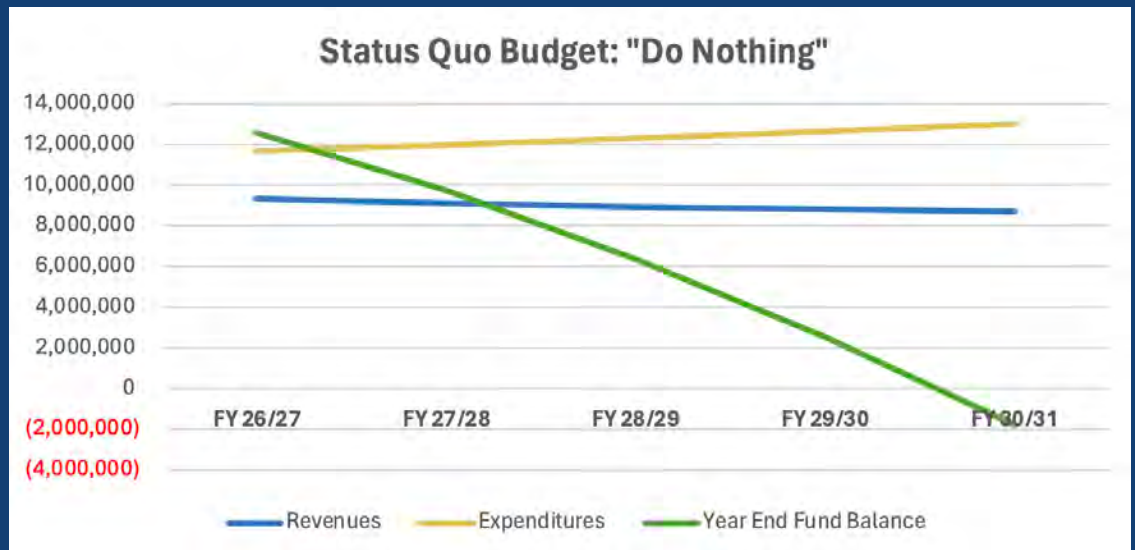
	FY 26/27 Projected	FY 27/28 Projected	FY 28/29 Projected	FY 29/30 Projected	FY 30/31 Projected
Revenues					
Prop 10 Tobacco Tax	3,618,616	3,401,499	3,197,409	3,082,303	2,971,340
Prop 56 Backfill	1,648,825	1,582,665	1,519,159	1,458,202	1,411,748
CECET	98,841	98,841	98,841	98,841	98,841
State Grant Income	3,103,042	3,179,879	3,258,618	3,339,308	3,421,995
Other	860,265	846,997	833,994	821,251	808,763
Total Revenue	9,329,589	9,109,881	8,908,022	8,799,904	8,712,687
Expenditures					
Total Operating Expenses	11,682,694	11,975,921	12,299,216	12,649,758	13,025,376
Other financing sources/uses (leases)	11,207	11,767	12,356	12,973	13,622
Net Position Begin of Year	14,918,994	12,577,095	9,722,822	6,343,983	2,513,370
Net Position End of Year	12,577,095	9,722,822	6,343,983	2,507,103	(1,785,697)
Net Change in Fund Balance	(2,341,898)	(2,854,274)	(3,378,839)	(3,836,880)	(4,299,067)

- Current spending cannot be sustained with current revenues.

Due to the declines in tobacco tax revenues and the reduced fund balance, the organization can no longer continue spending at the same rate without seriously jeopardizing its financial stability, as indicated in Table 3 and in Figure 2:

FIGURE 2:

FY 25/26 to 30/31 Year-End Projections Under Status Quo Budget



In addition to shifting its spending approach, the organization will focus its fiscal efforts to ensure cost-effective and flexible business practices that support long-term diversification of funding. To address fund balance depletion, the intent is to preserve and eventually grow its fund balance. Emphasis will be placed to maintain lean overhead costs and to the extent possible minimize fiscal reductions to community investments. Parallel to this effort, First 5 Contra Costa will lead efforts to identify new funding partnerships and to coordinate pooled funding efforts through public-private partnerships—the hope is that these parallel strategies will help avoid drastic impacts to the community.

• **Diversifying revenues should be a critical focus.**

In addition to continuing efforts to strategically reduce spending, pursuing new revenue streams, funding agreements, and partnerships to leverage resources will help the organization sustain its operations and programming while continuing to advance its mission over time.

Operational

• **The organization’s structure has caused it to miss out on past financial opportunities.**

As a governmental entity, the organization is neither a charitable non-profit nor a county department. Up to this point, it has operated in a gray area that has caused it to miss out on funding that could have been used to support its work, such as donations and grants available only to non-profit (i.e., 501(c)(3)) organizations.

Some other First 5 Commissions have created 501(c)(3) organizations. In a survey First 5 Contra Costa sent out as part of this project, responding commissions provided some details on why they had created their non-profits. Reasons they gave are summarized in Table 4, but generally centered around greater flexibility for the organization and more potential opportunities for partnerships and funding.

TABLE 4: Main Reasons Cited by Commissions for Establishing a 501(c)(3) Organization	What were your main reasons for establishing a 501(c)(3)?
	Ability to apply for private or philanthropic funding
	Increased flexibility in programming and partnerships
	Tax deductibility for donors
	Expanded community engagement opportunities
	Other: To take advantage of a specific tax credit program

• **Organizational staffing shifts have been a good start, but more is needed.**

First 5 Contra Costa has changed its approach to staffing, creating a more flexible operation and taking advantage of natural attrition to reduce positions. However, some major cost centers for the organization persist, especially on the administrative side of the ledger. In particular, costs for rent (for the organization’s main office, as well as three First 5 Centers) and upkeep of the two buildings it owns are significant.

Programmatic

- **Strategic Planning will bring an opportunity to review programs.**

Knowing that this Sustainability Plan is feeding into the next strategic planning process, our efforts have focused more on the fiscal and operational aspects of the organization. However, it is clear that consideration of what community needs to prioritize in the face of declining revenue and needed spending reductions, how to best to continue driving system-level changes in the county, and where new partnerships may be possible, are all likely decision points in the next planning process.

Policy and Community

- **First 5 Contra Costa is a respected partner in the community.**

It is clear from the key informant interviews and other aspects of the sustainability planning process that First 5 is viewed as a leader and an important asset to the county and its communities. This gives it an important voice as well as bringing opportunities to explore new partnerships with both public- and private-sector organizations.

- **New state-level funding is not imminent.**

With the current political climate at the federal level and the state facing potentially significant budget challenges due to lost federal funding and impacts of H.R. 1, the budget reconciliation package signed by President Trump in July, new ongoing state-level funding will be difficult to obtain for the foreseeable future. First 5 commissions and their statewide association will not stop their ongoing advocacy for new state funding, however, but it will likely be a longer-term effort than hoped.



Recommended Actions



The most urgent goals of the Sustainability Plan are for First 5 Contra Costa to (1) reduce spending to live within its means and (2) bring in sufficient funding to support its day-to-day operations in the short term and to meet its overarching mission over time. Achieving these goals will take actions across the Four Pillars, as recommended in this section.

For purposes of these recommendations, we have used a 5-year time horizon starting FY 2026-27 through FY 2030-31, shown in Table 5.

TABLE 5:

**5-year time horizon,
FY 2026-27 - FY 2030-31**

Time Horizon	Plan Years
Short Term	Years 1-2
Medium Term	Year 3
Long Term	Years 4-5

Financial

The actions recommended here are aimed at reducing spending and increasing funding to ensure the organization has a diverse and stable funding base to support its operations as well as its long-term mission.

Short Term

- Reduce Costs and Spending to Live Within Available Funds.**

To avoid depleting reserves, the organization will systematically budget for operations without tapping its fund balance, beginning in FY 27/28. Operational spending will be based only on available state tobacco tax revenues and other external funding dedicated to delivering specific services or reaching particular community outcomes. Doing so will also preserve fund balance in excess of \$12 million in FY 27/28 and for years going forward, as shown in Table 6 and Figure 3.

TABLE 6:

Year End Projections with Spending Reductions Starting FY 27/28

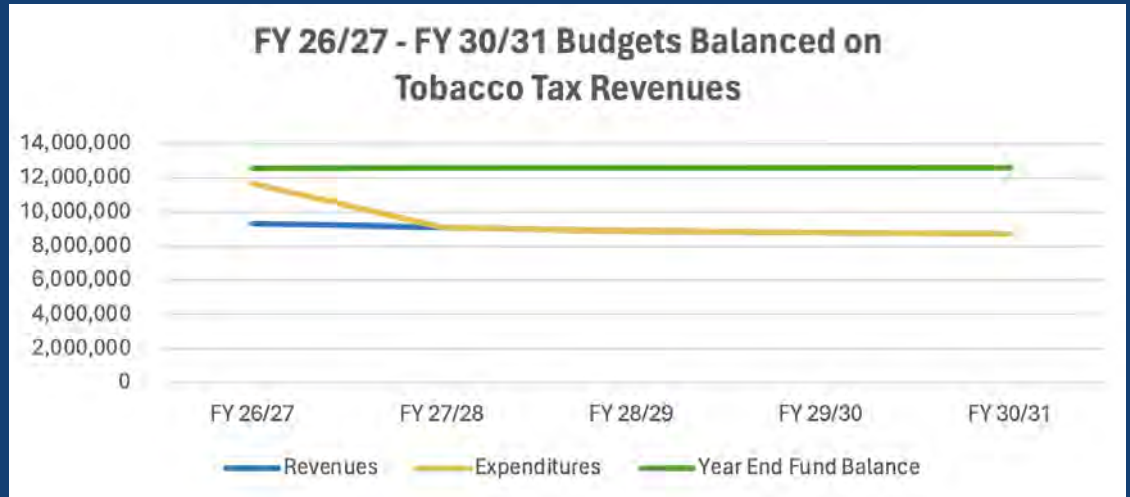
	FY 26/27 Projected	FY 27/28 Projected	FY 28/29 Projected	FY 29/30 Projected	FY 30/31 Projected
Revenues					
Prop 10 Tobacco Tax	3,618,616	3,401,499	3,197,409	3,082,303	2,971,340
Prop 56 Backfill	1,648,825	1,582,665	1,519,159	1,458,202	1,411,748
CECET	98,841	98,841	98,841	98,841	98,841
State Grant Income	3,103,042	3,179,879	3,258,618	3,339,308	3,421,995
Other	860,265	846,997	833,994	821,251	808,763
Total Revenue	9,329,589	9,109,881	8,908,022	8,799,904	8,712,687
Expenditures					
Total Operating Expenses	11,682,694	9,109,881	8,908,022	8,799,904	8,712,687
Other financing sources/uses (leases)	11,207	11,767	12,356	12,973	13,622
Net Position Begin of Year	14,918,994	12,577,095	12,588,862	12,588,862	12,601,218
Net Position End of Year	12,577,095	12,588,862	12,601,218	12,601,836	12,614,840
Net Change in Fund Balance	(2,341,898)	11,767	12,356	12,973	13,622

Once this is accomplished, the organization may wish to consider adopting a two-year budget cycle for planning purposes, which could help to better set goals for revenues and expenditures over time, set fundraising and development goals, and work with Commission members to plan ahead for needed changes in programming and operations to maintain a fiscal reserve.²

²Note that a two-year approach to budgeting does not eliminate the need for fiscal-year reporting to control agencies, audits, or other annually required budgeting and accounting work; it should be considered as more of a planning support than a cost-saving measure.

FIGURE 3:

FY 26/27 - FY 30/31 Budgets Balanced on Tobacco Tax Revenues



- **Establish a Fund Balance Policy with a Contingency Fund**

The organization has not had a policy regarding the maintenance of a fund balance or contingency reserve. Like many other First 5 commissions, the fund balance built up in years when tobacco tax revenues were healthier has been used to offset more recent revenue declines and uncertain state funding.

With the reserve now at a significantly lower level, First 5 Contra Costa will:

1. Re-establish a goal for a contingency fund level. Until the Strategic Plan adopted in Fiscal Year 2020-21, First 5 Contra Costa maintained an Emergency Reserve of \$7.5 million. Having a contingency fund gives the organization flexibility to respond to urgent needs or seize opportunities that may arise. Having funds in reserve also makes organizational decision-making less reactive and more purposeful; it provides breathing room to evaluate options and make thoughtful, mission-aligned choices.
2. Establish a policy for use of the contingency fund, setting forth circumstances under which fund balance dollars not already committed could be utilized, and how to replenish the reserve if possible.

Ultimately, should tobacco tax revenues become permanently unavailable, the reserve amount should be sufficient to sustain baseline programs for approximately one year while staff secures additional funding and/or begins the process to close operations.

Short to Medium Term

- **Establish Baseline Funding Goals with Fund Development Goals Year-to-Year**

Related to the short-term effort identified below in the Organizational category, in which the organization will seek to add internal capacity to fundraise from a variety of potential sources, this goal seeks to identify the minimum level of funds needed to support the organization's basic operations, while setting fund development goals for the organization to grow or develop programmatic offerings over time.

This plan does not pre-establish any specific development goals for particular types of funding, as this will need to be part of the discussion and decision-making process internally with staff input, as well as with support and input from the Commission and other partners.



Organizational

The actions in this section target the need to build organizational capacity for fund development, while continuing to work collaboratively with staff to implement the changes and opportunities it may bring for the team. The strategies discussed in this section are also aimed at developing a longer-term plan for ensuring the structure of the organization matches its needs.

Short Term

- **Review Owned and Rented Space and Identify Changes to Reduce Costs**

As noted previously, the cost of rent and building operations for the First 5 Centers and the First 5 Contra Costa administrative offices are a relatively significant component of the budget. The organization should review its space needs to determine if there are options to reduce or offset costs for rental and owned properties. Additionally, as the organization completes its strategic planning process for the next five years, consideration should be given to service models at the First 5 Centers that integrate co-location, shared spaces, virtual services, and pop-up opportunities that make participation more accessible to families and decrease dependency on brick-and-mortar locations.

This analysis should include a review of current and projected expenditures for rent, taxes, upkeep and other capital outlay, as well as the risks and benefits of maintaining vs. shifting away from the current locations. This should include an analysis of the market and potential sale proceeds of buildings currently owned as well as a consideration of how funding received through such a sale would be used over time as part of the overall sustainability plan. The organization should also consider whether some of the locations it currently rents or owns might be able to support operations of partner organizations through shared spaces that could help offset costs.

- **Establish Organizational Fund Development Capacity**

Up to now, the organization has not had a dedicated position for fund development or fundraising. The Executive Director and program staff have taken on this role, and while the Executive Director would continue to play a key role in this work, having staff with the skills and dedicated time for fundraising, seeking partnerships, developing agreements, and monitoring success is critical. This could include development of capacity within existing staff, establishing contracted positions, and/or establishing a new internal staff position. It could be helpful to consider offering professional development opportunities for existing staff, depending on their skills and interest in this type of work.

Due to the potential to pursue various funding types and sources, careful consideration should be given to the strengths, experience and skills that will be needed to obtain the types of funds that would be the best fit for the organization, and whether the role should be concentrated within one staff position or spread across multiple positions. Establishing goals and actively managing these efforts, with appropriate accountability, will be critical.

- **Create a 501(c)(3)-Status Organization Under First 5 Contra Costa**

The organization has been considering the idea of creating a separate organization incorporated as a 501(c)(3) for fundraising purposes. Some organizations—including both public and private funders—require such a designation for their grantees. As a result, First 5 Contra Costa has missed opportunities to apply for funding in the past.

After consulting with the Working Group and with other First 5s that operate separate 501(c)(3) organizations, the recommendation is to develop a 501(c)(3) for First 5 Contra Costa. There will be some small upfront costs (estimated at less than \$15,000) to properly start up and register the organization and ensure its documents of incorporation are consistent with the mission, vision and goals of the Commission, as well as some small costs (estimated at \$5,000 per year) to ensure compliance with reporting requirements. It is not recommended to separately staff the organization, but to instead use First 5 Contra Costa staff within their existing duties to provide any needed support.

Overall, the flexibility afforded by the existence of this organization in terms of fundraising and tax-deductibility for donors should outweigh the costs, based on the feedback received from First 5 Commissions that have created a 501(c)(3).





Short to Medium Term

- **Continue Reviewing Organizational Needs and Revising Staffing Patterns**

In a continuation of the work that predated the development of this plan, the organization should continue to review its staffing and make adjustments as needed to support a leaner approach to operations, without compromising quality or goals.

- **Diversify Funding Streams by Expanding and/or Developing New Relationships.**

Although as mentioned in the landscape section that many private and public funding sources are currently being reduced or eliminated due to the political climate, there are opportunities for new partnerships within the county—with cities, school boards, corporations, and the county itself—which could bring the potential for new one-time or ongoing funding streams, service expansions, and other means of either lowering First 5 Contra Costa's costs or enhancing its efforts.

- **Establish an early childhood focused funder collective with private philanthropy**

First 5 Contra Costa will lead the effort to establish an Early Childhood Funders collective that can intentionally pool funds for targeted needs and issue areas in early childhood. Given the current gaps in services and funding for underserved communities, public and philanthropic funders have an opportunity to prioritize public-private partnerships. By sharing responsibility and aligning resources, these collaborations can maximize impact, promote innovation, and create more sustainable solutions than any one sector could achieve alone.

- **Create more interagency agreements to formalize relationships with key county departments**

These include departments such as the Health Department (Contra Costa Health) and Employment and Human Services Department (EHSD), which serve similar populations in many of their programs. This could result in new service partnerships that leverage multiple public funding streams and maximize use of resources for the intended audiences.

Several counties, including some in the Bay Area, already rely on their First 5 Commissions to manage local ballot measure funds supporting early childhood initiatives. This model ensures strong fiscal accountability, alignment with community priorities and knowledge of the early childhood landscape, and coordinated service delivery.

Designating First 5 Contra Costa as the County's central coordinating entity for early childhood planning, collaboration, and—when appropriate—funding distribution initiatives would create meaningful efficiencies, enhance flexibility, and strengthen collective impact. This approach positions the County and its partners to more effectively direct resources where they are needed most—toward improving outcomes for young children and families across Contra Costa County.

First 5 Contra Costa's twenty five years of experience as a local public funder, convener and innovator puts the organization on solid footing to take on a broader and greater role to lead the administration of early childhood-related initiatives. **There is great opportunity to more intentionally maximize the authority given to First 5 commissions by Prop 10 statute to achieve greater local coordination through more flexible service delivery systems that in turn leverage community and county assets in Contra Costa County.** This intent is clearly articulated in Prop 10's statute Division 108, Section 130100 (a):

"It is the intent of this act to facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development. This system should function as a network that promotes accessibility to all information and services from any entry point into the system. It is further the intent of this act to emphasize local decision-making, to provide greater local flexibility in designing delivery systems, and to eliminate duplicative administrative systems."



Designating First 5 Contra Costa as the County's central coordinating entity for early childhood planning, collaboration, and—when appropriate—funding distribution initiatives would create meaningful efficiencies, enhance flexibility, and strengthen collective impact.



As an example of what is possible, Appendix A included in this report contains information on several initiatives that other county First 5 Commissions operate or contribute to, with funding from other local and external sources. Some of the counties selected for these examples not only blend Prop 10 with other public and philanthropic funding sources but also have designated their local First 5 Commission as the lead administrator for early childhood revenue generated by voter approved ballot measures.

- **Develop relationships with cities and school districts**

These entities may be able to offer space for First 5 services, trainings, or other programming, or be willing to establish funding partnerships aimed at better supporting families and young children served by multiple agencies and organizations.

Programmatic

As fiscal and operational changes come into focus, the impacts to programmatic offerings will become more clear. Syncing this plan with the timing of First 5 Contra Costa's next 5-year Strategic Plan is a purposeful way to gather information and feedback from community members and partner organizations, as well as set priorities for the coming years in light of other changes taking place.

Short to Medium Term

- **Conduct Strategic Planning in Concert with Sustainability Efforts.**

As the organization develops its next strategic plan, it will be critical to identify which areas of community-focused work should be prioritized based on First 5 Contra Costa's ability to make an impact and our current understanding of need within the county.

Unlike the sustainability planning process which was a largely "internal" process, the strategic plan process will by design include input from the community, including families, partner organizations, and other key stakeholders. First 5 plans to use the strategic planning process to also help the community and stakeholders learn about the agency's sustainability plan and direction for the future.

Policy and Community

Over time, First 5 Contra Costa has played an active role in advocating for policies that support early childhood development. The organization also has an opportunity to increase its efforts in Contra Costa County to place children and families at the forefront of policy, budgeting and services discussions.

Short Term

- **Develop Communications Plan to Share Sustainability Efforts.**

In partnership with the state First 5 Association, elected officials, the First 5 Contra Costa Commission, and others, First 5 Contra Costa will discuss its development of a sustainability plan, one of the first few plans of this nature created by a county First 5 commission. This can help jump-start local efforts as well as bringing state-level attention to the needs of First 5 Commissions and the populations they serve.

Long Term

- **Take the Lead in Establishing a county specific Community Children's Fund.**

Many localities have developed funds or endowments of this nature to support programs and services for children. With its existing role as a convener and leader in early childhood development, First 5 Contra Costa would be a natural choice to pull together a representative community group to develop the concept and create a governance structure. Establishing a 501c3 status for First 5 Contra Costa will support the creation of a governance structure that can lead efforts to establish a 'community fund' that will pool donor contributions and charitable assets dedicated to local programs, non-profits, and/or initiatives that advance the optimal development and education of young children and their families.

Ongoing

- **Continue Efforts to Create Sustainable Alternative State-Level Funding to Proposition 10/ 56.**

Through the statewide First 5 Association, continue to actively engage in efforts to develop new funding sources for First 5 Commissions. This is likely a multi-year effort and may involve a return to the ballot; the experience of First 5 Contra Costa in developing this sustainability plan, and making the necessary adjustments to continue operations in light of declining resources, will be instructive to lawmakers and policy leaders.

Next Steps



Create Tactical Plan to Implement Recommendations

Many of the recommendations in this Sustainability Plan are considered to be short-term and somewhat urgent in nature given the decline in revenue and the pace at which the organization has tapped its reserves to cover funding gaps. The first step for the organization will be to take the recommendations in this plan and build out a plan with action steps and a timeline for accomplishing these tasks.

Developing the recommended communication plan will require First 5 Contra Costa to think through how to frame and talk about this sustainability work and can help to jump-start the process of developing new connections and partnerships within the community. Making decisions about how to “roll out” public communications about this process is a key step.

Develop Performance Indicators

How will the organization know when it has achieved success in delivering on the goal of long-term sustainability for the organization? Simply checking off boxes on a plan is not enough to declare victory, and much of the work started by this plan—even recommendations labeled “short term”—will almost certainly be ongoing. It will be important to work with Commission members, staff and key stakeholders to define and measure success in this effort over the next five years.

Monitor and Report

Regular reporting at Commission meetings and internal staff meetings on progress and activities related to the Sustainability Plan will be critical to ensuring ongoing engagement, attention, and progress.



Conclusion

The thorough and thoughtful efforts of the Working Group, the executive team and staff of First 5 Contra Costa, and the many others who contributed to this Sustainability Plan is groundbreaking. Every First 5 commission has conducted strategic planning and summarized their activities and successes in annual reports for the past 25 years. This process, however, has held up a light to the finances and operations of First 5 Contra Costa in a new and deeper way, forging a path towards long-term sustainability for the organization and taking stock of its position in the community along the way.

The insights gained through this effort are invaluable and set the organization on a path to success for years to come. We hope it serves not only as a roadmap for First 5 Contra Costa, but as a guide for other organizations wishing to do the same.

Acknowledgements

The successful development of this plan would not have been possible without the contributions of many individuals, who we thank for their time and efforts.

Contra Costa County Board of Supervisors and their staff

Hon. John Gioia, District 1 Supervisor

Hon. Candace Anderson, Chair, District 2 Supervisor

Hon. Diane Burgis, District 3 Supervisor

Hon. Ken Carlson, District 4 Supervisor

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ⁱⁱ Legislative Analyst's Office, November 1998. Proposition 10: State and County Early Childhood Development Programs. Accessed at https://lao.ca.gov/ballot/1998/10_11_1998.htm

ⁱⁱⁱ Brad Williams, Senior Partner, Capitol Matrix Consulting, July 23, 2025 memo to First 5 California, "Tobacco Tax Revenue Projections – California Children and Families First Trust Fund," accessed at <https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36031642&AID=1192454&MID=36680>

Appendix A

First 5 Commissions Leveraging Funds Across Local and External Sources

Commission	Program	Funding Sources
Yolo	Welcome Baby: Road to Resilience: provides vital, early services to families living in Yolo County with a child under the age of two. Families receive in-clinic resource navigation, a nurse home visit postpartum and follow-up, and, as needed, longer-term intensive home visiting services during pregnancy and the child's early years. WB:R2R's tailored, early approach enables timely identification and intervention to promote maternal and child health, prevent child maltreatment, and build a foundation for early learning and school readiness.¹	Local Funds: • First 5 Yolo • County Board of Supervisors • City of Davis • City of Woodland • City of West Sacramento External Funds: • CA Dept of Social Services Office of Child Abuse Prevention • American Rescue Plan (ARP) funds allocated by Yolo County Board of Supervisors and local cities • First 5 California Home Visiting Coordination Grant • Private Donors • Medi-Cal - CA Dept of Health Care Services (DHCS): • Child and Youth Behavioral Health Initiative (CYBHI) • CalAIM Community Health Worker Services (CHW) • CalAIM Enhanced Care Management (ECM) • Sutter Health • Dignity Health In-Kind Partners: • UC Davis Health Equity Across the Lifespan Lab • UC Davis Health • Sutter Davis Hospital • Dignity/Woodland Hospital • Kaiser Permanente • Capital OB/GYN

First 5 Commissions Leveraging Funds Across Local and External Sources (continued)

Commission	Program	Funding Sources
Santa Clara	Home Visiting Programs: In a comprehensive study published in November 2024, Santa Clara County's First 5 mapped funding amounts and sources for every home visiting program in operation in the county, some of which are funded by First 5. All home visiting models in the county except for Head Start rely on at least two sources of funding, and several braid and/or blend funding from even more.²	Early Childhood Mental Health Outpatient Consortium Local Funds: - Behavioral Health - First 5 External Funds: - DHCS/Medi-Cal The funding sources listed here are for the Early Childhood Mental Health Outpatient Consortium, which represented 53% of funding for home visiting identified in Contra Costa County in FY23-24. The program has an annual capacity of 1,800 slots.
Solano	Early Learning Center: First 5 Solano County has raised funds from a variety of sources to purchase and redevelop a former school site in Vallejo. When complete, the ELC will house multiple service providers, including early care and education providers, as well as bringing together other services for families and children.³	Local Funds: \$2M - County Board of Supervisors \$30,000 County Board of Education \$61K - Vallejo City Council \$4.47M - First 5 Solano \$2.86M - Child Start Inc. External Funds: \$500K – Federal earmark \$1M – Syar Foundation grant \$5M – State Earmark \$1M – State Earmark \$200K – Irwin Foundation
Alameda	Collaborative Diaper Distribution Program: Administered by SupplyBank.org, this partnership will distribute \$5.8 million in diapers over three calendar years (2025-2027) at sites such as Family Resource Centers, WIC locations, and Resource and Referral agencies.⁴	Local Funds: - First 5 - Alameda County Social Services Agency - Alameda County Health - Alameda County Probation Department

Sources:

¹The First 5 Center wrote a recent blog post about the Welcome Baby Program, at: <https://first5center.org/blog/first-5-yolo-countys-welcome-baby-program>;

²First 5 Santa Clara's full report on home visiting programs is available at: <https://first5kids.org/wp-content/uploads/2025/03/Feasibility-Study-for-the-Expansion-of-Home-Visiting-Services-for-Children-11-1-2024.pdf>

³First 5 California, "Sustainability, Diversification & Capacity Building: A Playbook for Local First 5 Commissions," October 2024

⁴First 5 Alameda, "Strengthening system partnerships through collaborative investments in diaper distribution program," January 2025, accessed at: <https://www.first5alameda.org/strengthening-system-partnerships-through-collaborative-investments-in-diaper-distribution-program/>



2025 NOMINATING COMMITTEE PROCESS AND TIMELINE

SEPTEMBER 29, 2025	The Executive Committee appoints Nominating Committee Chair and members
LATE OCTOBER TO EARLY NOVEMBER 2025	Nominating Committee sends an email to the entire Commission to elicit interest to participate in Executive Committee
OCTOBER – EARLY NOVEMBER 2025	Nominating Committee meets to discuss and approve the nomination of Chair, Vice Chair, and Secretary/Treasurer for Calendar Year 2026
NO LATER THAN MONDAY DECEMBER 1, 2025	In accordance with the Bylaws, the Nominating Committee sends out the Slate of Officers for election for 2026 to the Commission 2 weeks prior to the voting meeting on <i>December 15, 2025</i> .
DECEMBER 15, 2025	Commission votes and approves the Slate of Officers for Election for Calendar Year 2026.