

MEETING DATE:
March 23, 2023 1:15pm



Facilitator: Eric Harrold

FINANCIAL PLANNING COMMITTEE MEETING AGENDA

This is an In Person Meeting for Committee Members

2750 Gateway Oaks Drive, Suite 330

Sacramento, CA 95833

Commission Members: Beth Hassett (Chair), Lee Turner-Johnson, Scott Moak

Advisory Committee Members: Walter Wyniarczuk, Silvia Rodriguez (Vice-Chair)

1. Call to Order/Roll Call
2. Public Comments on Off-Agenda Items
3. Approve Draft Action Summary of January 19, 2023
4. Receive Staff Updates
5. Review and Comment: Intent to Apply for Home Visiting Coordination Collaboration grant funds totaling \$1,864,058 over two years from First 5 California
6. Public Hearing: Review and Approval of the FY 2023-24 Recommended Budget, Addition of 2.0 Full-Time Equivalent Positions, and Ten-Year Financial Plan
7. Review and Comment on Financial Statements
8. Committee Member Comments

Community/Public May Join By Zoom:

<https://saccounty-net.zoomgov.com/j/1619577987?pwd=UVIJcmdpOXBjdnVqS2d5WFdmRmE5dz09>

Meeting ID: 161 957 7987

Passcode: 654674

Phone in: 1-669-900-6833

Using the same meeting id and password as above.

If there is a need for an accommodation pursuant to Americans with Disabilities Act (ADA), medical reasons or for other needs, please contact the Clerk of the Board by telephone at (916) 874-5411 (voice) and CA Relay Services 711 (for the hearing impaired) or WillsSt@saccounty.gov prior to the meeting.

FIRST 5 SACRAMENTO COMMISSION
2750 Gateway Oaks Dr., Suite 330
Sacramento, CA 95833

FINANCIAL PLANNING COMMITTEE

DRAFT ACTION SUMMARY

Thursday, January 19, 2023 – 1:15 PM

Members Present: Beth Hassett (Chair), Scott Moak, Lee Turner-Johnson
Advisory Committee Members Present: Silvia Rodriguez (Vice-Chair), Robin Blanks-Guster (Alternate)
Staff Present: Julie, Gallelo, Eric Harrold, Stephanie Wills, Katie Cline, Troy Coronado;
Absent: Walter Wyniarczuk

1. Welcome/Call to order and Roll Call
Action: The meeting was called to order at 1:17pm. A quorum was established.
2. Public Comments on Off-Agenda Items
Action: None
3. Approve Draft Action Summary of October 27, 2022
Motion Moved by Robin Blanks Guster; 2nd by Scott Moak
Action: AYES: Hassett, Moak, Turner-Johnson, Blanks-Guster
4. Nominate and Elect Chair and Vice Chair
Motion to Appoint Beth Hassett as Chair and Silvia Rodriguez as Vice Chair moved by Scott Moak; 2nd by Lee Turner Johnson
Action: AYES: Hassett, Moak, Turner-Johnson, Blanks-Guster
5. Receive Staff Updates
Eric Harrold updated members, including:
 - Organizational study has been completed. Survey results are included in packet
 - Prop 31 was affirmed by voters in November election; The state is forecasting as much as a 21% reduction in Prop 10 revenue.
 - FY23/24 Budget kickoff meeting was Jan 20th. Staff have been working on budget that was due late Feb 2023.

6. Approve FY23-24 Budget to Include a Senior Office Assistant to Assist with Systems Change and Sustainability Work

Motion Moved by Robin Blanks Guster; 2nd by Scott Moak

Action: AYES: : Hassett, Moak, Turner-Johnson, Blanks-Guster

7. Review and Comment on Financial Statements

8. Committee Member Comments

Action:

Adjourned: 2:15PM

Respectfully submitted,

Stephanie Wills, Clerk
First 5 Sacramento Commission

FIRST 5 SACRAMENTO COMMISSION
Financial Planning Committee Staff Report
March 23, 2023

4

1. Staffing:

Additional research on the organizational survey looking at staffing levels of similar sized commissions has been completed. Publicly posted budgets from the counties in the survey have been downloaded and the salary and benefit (S&B) information has been added for data comparison. The new data point (see Attachment 1) has a range of S&B cost from \$1.1 million to \$12.4 million with an average of the 5 counties at \$6.4 million for S&B (one county did not report). This is in comparison to Sacramento's S&B cost of \$2.3 million.

2. Proposition 10:

Impacts of Prop 31 (flavor ban) are still unknown at this point. The ban began in January 2023, revenues for this month have not been distributed at this time.

Staff is closely monitoring Prop 10 revenues and will bring recommendations to this committee and the commission if needed.

3. Budget:

The budget is included as Item #6 on this agenda. The process was different this year due to adding new positions. County Code requires the Commission's independent authority over the Commission budget. However, as part of the county budget process there was no way to add the positions without completing a growth request. This adds to the process a degree of control by the Board of Supervisors (BOS) over the Commission budget as these growth requests are prioritized and approved or disapproved by the BOS. This is not expected to be a problem for now, it may well become a problem depending on the County's economic circumstances on a given year. Staff is trying to work with the County Executive's Office to change this county process.

Attachments

Organizational Staffing Level Survey Results (updated 3/19/2023)

Organizational Staffing Survey Results

Item #4 ATT 1

County	Q1				Q2		Q7		Q8		Q9			Q10		Q11		Leveraged Funding	% Of Budget
	Staffing Level (FTE)				Com Provided DS		Budget				Percentage of Budget			Admin	Evaluation	Program			
	Total	Prog	Admin	Eval	Dir Srvs	DS FTE	All Funding	Prop 10	S&B Budget	S&B %									
Sacramento	12	7	4	1	No	0	\$ 19,761,700	\$ 13,104,258	\$ 2,281,811	11.5%	5%	3%	92%	\$ 6,657,442	33.7%				
Fresno	11	6	5	0	No	0	\$ 9,726,000	\$ 9,690,000	\$ 1,096,740	11.3%	6%	5%	89%	\$ 36,000	0.4%				
Alameda	80	56	19	5	Yes	2	\$ 23,837,080	\$ 12,558,363	\$ 12,397,054	52.0%	14%	7%	79%	\$ 11,278,717	47.3%				
Kern	11	7	3	1	No	0	\$ 9,729,900	\$ 8,810,192	N/A	N/A	5%	3%	92%	\$ 919,708	9.5%				
San Bernardino	22	7	12	3	No	0	\$ 18,820,969	\$ 21,666,934	\$ 2,819,272	15.0%	12%	6%	82%	\$ (2,845,965)	-15.1%				
Santa Clara	46	28	17	1	Yes	4	\$ 33,080,105	\$ 14,561,801	\$ 7,780,502	23.5%	10%	2%	88%	\$ 18,518,304	56.0%				
Riverside	66	35	28	3	Yes	20	\$ 24,288,886	\$ 19,499,727	\$ 7,755,700	31.9%	15%	3%	82%	\$ 4,789,159	19.7%				
Total	236	139	84	13			\$ 119,482,940	\$ 86,787,017	\$ 31,849,268					\$ 32,695,923	27.4%				

Comparison: 6 county average to Sacramento

Average	39.3	23.2	14.0	2.2			\$ 19,913,823	\$ 14,464,503	\$ 6,369,854	32.0%	0%	0%	0%	\$ 5,449,321	27.4%
Sacramento	12	7	4	1			\$ 19,761,700	\$ 13,104,258	\$ 2,281,811	11.5%	5%	3%	92%	\$ 6,657,442	33.7%

Questions

- 1 What was your FY 2021-22 Commission staffing level in FTE?
- 2 Does your Commission run any DIRECT SERVICES utilizing First 5 staff to provide those services (as opposed to contracted service providers)?
- 3 How many CONTRACTS (inclusive of program, systems improvement, evaluation, admin, etc.) did your Commission execute and/or have in place in FY 2021/22?
- 4 How many of these contracts were for DIRECT SERVICES?
- 5 How many of these contracts were for SYSTEMS IMPROVEMENT activities?
- 6 How many of these contracts were for OTHER purposes (evaluation, MAA time study, etc.)?
- 7 What was your FY 2021/22 total OPERATING BUDGET (inclusive of Prop 10 revenue + all leveraged funds)?
- 8 What was your FY 2021/22 PROP 10 REVENUE (includes monthly allocation, Prop 56 backfill and SMIF only)?
- 9 What percent of your FY 2021/22 operating budget was for ADMINISTRATIVE costs?
- 10 What percent of your FY 2021/22 operating budget was for EVALUATION?
- 11 What percent of your FY 2021/22 operating budget was for PROGRAM?
- 12 Overall, what is your best estimate as to how much of your FY 2021/22 operating budget was spent on DIRECT SERVICES vs. SYSTEMS IMPROVEMENT/ SUSTAINABILITY?

FIRST 5 FINANCIAL PLANNING COMMITTEE

For the Agenda of:
March 23, 2023

To: Committee Members

From: Julie Gallelo
Executive Director

Subject: Review and Comment: Intent to Apply for Home Visiting Coordination grant funds totaling \$1,864,058 over two years from First 5 California

Contact: Eric Harrold, 876-5868

RECOMMENDATION:

Provide comment on Staff intention to apply for and enter in to an agreement with First 5 California (F5CA) for the purpose of providing support for the Home Visiting Coordination (HVC).

BACKGROUND

In October 2019, the F5CA State Commission approved up to \$24 million in funding through 2024–2025 to help counties create a sustainable, coordinated home visiting system that supports families with the services they need and maximizes available funding to serve more families.

On August 3, 2020, this Commission authorized the Executive Director to enter in to an agreement with F5CA for FY 2020-21 and FY 2021-22 totaling \$200,000 to provide HVCC support. After a two year pilot of the program it was believed addition funding would be made available to carry on with the efforts. However, due to the funds not being fully utilized across the state, F5CA opted to only allow a one year extension for the balance of the unspent funds. Less than \$14 thousand were available for Sacramento to carryover and none were allowed for personnel costs.

F5CA is now funding a two year grant for HVC support covering FY 2023-24 and FY 2024-25. Due to the heavy burden of creating and maintaining contracts with all 58 county Commissions, F5CA has opted to create regional grants with one county acting as the fiscal agent for the region. Sacramento, as the region's designated fiscal agent, is applying for the two year HVC funding totaling \$1,864,058.

DISCUSSION

With so many public and private agencies providing home visiting services, the HVC funding is important to the region in order to:

- Increase cross-agency understanding of local population needs relative to the impacts of COVID-19 on families and services.
- Ensure families are served through efficient, coordinated, and sustainable evidence-based home visiting programs that meet their critical recovery needs.
- Embed home visiting into early childhood systems to promote strong family outcomes.
- Promote cross-county, shared learning and capacity-building, resource sharing, and expertise to strengthen local systems change efforts, and rebuild early childhood and family support systems following the pandemic.

First 5 Sacramento will need to increase capacity to effectively manage the responsibilities transferred by F5CA with the new regional granting model. In addition to contracts with the 10 other county Commissions in the region, First 5 Sacramento will also contract with at least three agencies to provide home visiting technical assistance (TA) to the region.

Along with the programmatic oversight and engagement with the county Commissions, TA providers, and F5CA, Program Planner support will be needed to provide local home visiting coordination activities including training on and implementation of the Sacramento Home Visiting Decision Tree and universal referral form. Administrative support for the new 14 contracts, invoice processing, budgets, amendments, and other functions will be needed. An existing Planner position can be utilized at 0.6 FTE to implement the programmatic duties. A new 1.0 FTE Administrative Services Officer I (ASO) will be needed in order to meet the administrative functions and build capacity for the HVC grant and future grants from F5CA that are likely to be modeled in this way.

The grant will fund \$225,000 per year (Attachment 1) in staff and indirect costs with a new position costing \$115 thousand, resulting in a net savings to the Commission of \$110 thousand per year for two years. This fund balance over the two years is enough to fund the ASO I position for a third year, if no additional grants are received. However, the Commission has committed to sustainability efforts including identifying and applying for new funding streams. Over these three years we expect to secure new funding for the ASO I position.

F5CA has moved to a regional grant system where Sacramento will act as the fiscal agent for the region. The ASO I position builds the Commission's capacity to take on this function for the Home Visiting grant as well as future grant opportunities.

Ten counties will receive funding to perform the scope of the grant while three agencies will receive technical assistance funding, all together totaling \$1.4 million over the two years.

Review and Comment: Intent to Apply for Home Visiting Coordination grant funds totaling \$1,864,058 over two years from First 5 California
Page 3

FINANCIAL ANALYSIS

Approval will result in applying for the HVC funds which, if awarded, will provide \$450,000 to reimburse First 5 Sacramento for HVC activities, \$1,000,000 to reimburse ten counties in the region, and \$414,058 for technical assistance services.

CONFLICT OF INTEREST:

None, this is only for review and comment.

Staff Recommendations

Provide comment.

Respectfully submitted,

Julie Galello
Executive Director

Attachment:
HVC Grant Application Budget

cc: Stephanie Wills, Clerk of the Commission

Home Visiting Coordination Grant Application Budget

Note:

0.65 FTE
0.60 FTE

Salary

Year 1

Year 2

Total

ASO I	\$ 60,427	\$ 60,427	\$ 120,854
Planner	\$ 82,300	\$ 82,300	\$ 164,601
Subtotal	\$ 142,727	\$ 142,727	\$ 285,455

Benefits

0.65 FTE
0.60 FTE

ASO I	\$ 32,468	\$ 32,468	\$ 64,935
Planner	\$ 33,138	\$ 33,138	\$ 66,276
Subtotal	\$ 65,606	\$ 65,606	\$ 131,212

8%

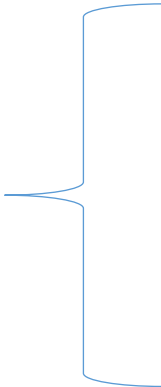
Indirect

	\$ 16,667	\$ 16,667	\$ 33,333
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F5 Total	\$ 225,000	\$ 225,000	\$ 450,000
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<u>Sub Contractors</u>	\$ 707,024	\$ 707,034	\$ 1,414,058
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Regional HVC Contractors



Amador	\$ 50,000	\$ 50,000	\$ 100,000
Calaveras	\$ 50,000	\$ 50,000	\$ 100,000
Colusa	\$ 50,000	\$ 50,000	\$ 100,000
El Dorado	\$ 50,000	\$ 50,000	\$ 100,000
Nevada	\$ 50,000	\$ 50,000	\$ 100,000
San Joaquin	\$ 50,000	\$ 50,000	\$ 100,000
Sierra	\$ 50,000	\$ 50,000	\$ 100,000
Stanislaus	\$ 50,000	\$ 50,000	\$ 100,000
Tuolumne	\$ 50,000	\$ 50,000	\$ 100,000
Yuba	\$ 50,000	\$ 50,000	\$ 100,000

TA	First 5 Association	\$ 10,000	\$ 10,000	\$ 20,000
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TA	Lead 4 Tomorrow	\$ 98,515	\$ 98,515	\$ 197,029
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TA	Workforce Development	\$ 98,515	\$ 98,515	\$ 197,029
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Subtotal	\$ 707,029	\$ 707,029	\$ 1,414,058
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Grand Total	\$ 932,029	\$ 932,029	\$ 1,864,058
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**FIRST 5
FINANCIAL PLANNING COMMITTEE**

For the Agenda of:
March 23, 2023

To: Committee Members

From: Julie Gallelo, Executive Director

Subject: Public Hearing: Approval of the Fiscal Year 2023-24
Recommended Budget, Addition of 2.0 FTE Positions, and Ten-
Year Financial Plan

Contact: Eric Harrold, Chief of Administration 876-5868

RECOMMENDATION:

Approve the Fiscal Year (FY) 2023-24 Recommended Budget, addition of 2.0 FTE positions, and Ten Year Financial Plan.

BACKGROUND:

Sacramento County Code Section 2.99.130, First 5 Sacramento Commission Budget, states "The Commission's proposed budget for any fiscal year shall be submitted to the County for review and comment prior to its adoption by the Commission." The FY 2023-24 Recommended Budget package was submitted to the County Executive's Office on February 20, 2023, for review and comment.

The FY 2023-24 budget is the third and final year of the 2021 Strategic Plan (SP) approved by the Commission. Each year is funded at \$14,880,000 and is adjusted by other actions taken by the Commission. The most common adjustments include grants awarded to the Commission and contractors that elect to take different amounts each year of the SP primarily to allow for cost of living adjustments during the three year contract.

DISCUSSION:

(Attachment 1 – Budget Highlights)

The FY 2023-24 Recommended Budget includes \$22.4 million in total expenditures. These are financed by \$18.6 million in revenues, a \$13 thousand carryover fund balance, and a reserve fund release of \$3.8 million.

The Recommended Budget reflects a \$779,205 (3.6%) increase in total appropriations, a \$2,047,102 (9.3%) decrease in revenue, and an increase of \$2,826,307 (300%) use of available fund balance and release of reserves over the prior year Adopted Budget.

The budget includes appropriations for two new positions, a 1.0 full-time equivalent (FTE) Senior Office Assistant (SOA) and a 1.0 FTE Administrative Services Officer I (ASO). These additions will increase the Commissions total staffing from 12.0 FTE to 14.0 FTE.

The SOA position is being requested based on the recommendation of the Financial Planning Committee to support immediate staff relief for successful sustainability efforts onboarding and applying for new grant funding, see approved FPCL dated January 19, 2023 (Attachment 2).

The ASO is being requested in order to build capacity in support of First 5 California (F5CA) grants (refer to Attachment 2, Table 2 for support functions). F5CA has modified their grant offerings to regional grants where one county is selected as the fiscal agent and is required to contract with the remaining counties in the region. Sacramento is the fiscal agent for the upcoming Home Visiting Coordination (HVC) grant which will provide a total of \$1.9 million over two years to the region. Sacramento is authorized to reimburse staff costs for 1.25 FTE per year or \$225 thousand per year to execute, monitor, and process documents for the estimated 14 contracts that will be needed. This is the fourth F5CA grant in the last five years, with this capacity in place it will help to ensure future F5CA grants are easily accessible to the region.

Prior Year Variances (FY 22-23 vs. 23-24)

Expenditures

The \$779 thousand increase in total appropriations is due to negotiated labor contract increases, addition of 2.0 FTE positions, and contracted service delivery providers.

Increased costs in personnel of \$94 thousand includes a 4% cost of living adjustment (COLA). The addition of two new positions totaling \$203 thousand (SOA \$88k, ASO \$115k). Net changes to direct services contracts results in an additional \$484 thousand in costs primarily attributable to the new HVC grant. Other service and supplies accounts decrease by a total of \$8 thousand while allocated costs were increased by \$6 thousand.

Revenue

The net \$2 million decrease in revenue is primarily due to the Proposition 10 revenues decreasing \$2.6 million as a result of the ban on sales of flavored tobacco products. Also, the Refugee Family Support grant is currently set to end in the first quarter of FY 23-24, accounting for \$425 thousand loss in revenue. These losses are offset by the \$1 million revenue increase for the HVC grant.

Reserve Balance

In FY 2023-24, the Children and Families Fund will decrease by \$3.8 million. Use of Fund Balance reflects (the net of) a carryover of \$13 thousand in available fund balance, and \$3.8 million to be released from reserves.

The budget year will begin with an estimated reserve balance of \$20.5 million and end with a proposed reserve balance of \$16.8 million. Year-end actuals will have an effect on these estimates and are updated in the Final Budget process.

The \$13 thousand carryover fund balance is comprised of \$953 thousand in reduced expenditures offset by \$940 thousand in reduced revenue.

Contracts used to provide services to First 5 clients resulted in the biggest savings of \$869 thousand. The Building Strong Families contracts provided \$450 thousand in savings due to a late start compared to the budget start. The School Readiness contracts have a net savings of \$300 thousand (8.7%). The remaining \$119 thousand in contract savings is spread among the remaining 30 contracts, but falls within the normal amounts contracts typically underspend. There is also a savings in salary and benefits of \$10 thousand and services and supplies of \$74 thousand.

Ten Year Financial Plan (Attachment 3 – Ten Year Financial Plan)

The Ten Year Financial Plan reflects the funding level set by the 2021 Implementation Plan approved by the Commission. The plan includes estimated impacts of the flavored tobacco ban on Proposition 10 revenues.

The plan reflects a beginning reserve balance of \$20.5 million in FY 23-24 and concludes with a balance of \$3 million in FY 30-31. This reserve balance will be held in perpetuity for cash flow and emergency contingencies.

The Ten Year Plan notes the next reduction in funding for the 2024 Strategic Plan at 0% and 33.8% in the 2027 Strategic Plan. This is a 5% increase in the "fiscal cliff" for the 2027 Strategic Plan resulting from the effects of the flavored tobacco ban.

FISCAL IMPACT:

The Fiscal Year 2023-24 Recommended Budget totals \$22.4 million in expenditures and is funded by revenues of \$18.6 million, \$13 thousand fund balance carry forward, and a \$3.8 million reserve release. This action will leave a year-end reserve balance of \$16.8 million.

CONFLICT OF INTEREST:

None.

CONCLUSION:

Staff recommends approval of the Fiscal Year 2023-24 Recommended Budget, addition of 2.0 FTE positions, and Ten Year Financial Plan.

Respectfully submitted,

Julie Galelo
Executive Director

Attachments:

1. Budget Highlights
2. FPCL Addition of SOA
3. Ten Year Financial Plan
4. Resolution



First 5 Sacramento Fiscal Year 2023-24 Budget Highlights

Recommended Budget Totals \$ 22.35 million

► Overall Expenditure Categorical Breakdown

Administration	5.4%	\$ 1.22 million	Personnel	11.9%	\$ 2.66 million
Evaluation	2.1%	\$ 0.47 million	Contractors	85.4%	\$ 19.08 million
Program	92.5%	\$ 20.67 million	Services/Supplies	2.7%	\$ 0.61 million
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100.0%			\$ 22.35 million		
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100.0%			\$ 22.35 million		

► Program Expenditures by Result Area

	Health	6.7%	\$	1.50 million	Reducing African American Child Death
	Nutrition	2.4%	\$	0.53 million	Lactation Consultants
Medical, Dental, MH Access		0.2%	\$	0.04 million	System Change Efforts to Ensure Families Have Access to Affordable Medical, Dental, and Mental Health Services.
Child Care Access		0.2%	\$	0.05 million	System Change Efforts to Ensure Families Have Access to Affordable Medical, Dental, and Mental Health Services.
Quality Childcare		3.3%	\$	0.73 million	Quality Childcare Programs
School Readiness		16.1%	\$	3.59 million	Preschool Enhancements, Parent Education, Literacy, Screenings, Play Groups, Transition Camps
Empowered Families		28.5%	\$	6.38 million	Family Resource Centers, Home Visits, Crisis Intervention, Parent Education, Emergency Child Care
CalWORKs		20.9%	\$	4.68 million	Home Visiting Initiative
ARPA Programs		6.4%	\$	1.42 million	Family Support Navigators and Child Abuse Prevention Augmented Services.
Home Visiting/Refugee		5.1%	\$	1.15 million	Home Visiting Coordination Collaboration and Refugee Family Support Services
Evaluation		2.1%	\$	0.47 million	Documents Qualitative and Quantitative Results of Programs
Program Management		1.4%	\$	0.32 million	Costs that are shared by all programs
Systems Optimization		1.3%	\$	0.28 million	Policy Advocacy and Sustainability and System Change Efforts
Administration		5.4%	\$	1.22 million	

100.0% \$ 22.35 million

► Revenues; Reserve Fund and Fund Balance

First 5 Reserve Fund	\$	3,767,854
Proposition 10	\$	10,269,385
MAA Claiming	\$	405,923
CBCAP	\$	51,521
CAPIT	\$	444,000
Intergovernmental Revenue	\$	4,688,443
Interest Income	\$	163,040
Other Programs	\$	2,563,172
TOTAL FY 23/24 FUNDING	\$	22,353,338

RESERVE BALANCE		
Beginning Reserve Balance	\$	20,537,095
Available for use in FY 23/24		
<i>Fund Balance</i>	\$	12,507
<i>Reserve Release</i>	\$	3,755,347
		\$ 3,767,854
Ending Reserve Balance	\$	16,781,748

\$ 18,585,484 Total Revenue

FIRST 5 FINANCIAL PLANNING COMMITTEE

For the Agenda of:
January 19, 2023

To: Committee Members

From: Julie Gallelo
Executive Director

Subject: Approval of Committee Support to Add 1.0 Full Time Equivalent Senior Office Assistant to the Fiscal Year 2023-24 Recommended Budget

Contact: Eric Harrold, 876-5868

RECOMMENDATION:

Approve committee support to add one full time equivalent Senior Office Assistant in the FY 23-24 budget.

BACKGROUND

Historically, staffing levels for the Commission have been determined by how many staff are needed to efficiently and effectively run programs funded by Proposition 10 and a few other long standing leveraged grants. As Prop 10 and MAA funds have been decreasing over the years, so have the staffing levels. In FY 2018-19 the Commission made it a priority for staff to focus on systems change and sustainability and, as a result, in FY 19-20 leveraged funding began to substantially increase.

During the four years leading up to the Commission's sustainability efforts (FY 15-16 through FY 18-19) the average annual budgeted funding was \$12.3 million in Prop 10 revenue and \$1.8 million in leveraged funding, managed by 14.0 Full Time Equivalent (FTE) employees. The four years since focusing on sustainability (FY 19-20 through FY 22-23) the average annual budgeted funding was \$11.8 million in Prop 10 revenue and \$6.7 million in leveraged funding, managed by 12.0 FTE (see **Table 1**).

Table 1

Years	FTE	Prop 10	Leveraged
FY 19-20 - FY 22-23	12.0	\$ 11,833,125	\$ 6,654,043
FY 15-16 - FY 18-19	14.0	\$ 12,292,843	\$ 1,803,570

Sustainability efforts have so far resulted in new leveraged funding for CalWORKs Home Visiting, Census Outreach, Home Visiting Coordination Collaborative, Refugee Family Support, Building Strong Families, Safe Sleep 3.0, and others. Commission staff recognizes that a new approach to determine staffing levels is needed to support a systems change and sustainability commitment. With each new funding source comes layers of additional work above and beyond what is required for the Proposition 10 funding (see **Table 2**). Although some of the funding sources will pay for staff time, often it only partially covers the related planning, evaluation and administrative duties—and sometimes not at all. In addition, most grants will only last for one to three years, making it inefficient to have a position only funded by sporadic grants.

Table 2

TYPICAL REQUIRMENTS FOR EACH NEW FUNDING SOURCE		
Pre Award	Post Award	Continuing
Applications	Revenue Agreement	Claiming Funds
Interviews	Competitive Selection	Paying Sub-contractors
Program Development	Evaluation Design	Fiscal Monitoring
Budget	Contractor Assessment	Site Visits
Certifications	Risk Management Assessment	Reporting/Evaluation
Legal Review	Sub-contract(s)	Single Audit (federal)
Commission Action	Budget Review/Approval	Budget Revisions
	Certifications	Contract Amendments
	Insurance	Training
	Close out	
	Commission Action	

Staff recommend a new approach that does not correlate staffing levels to Prop 10 funding but rather recognizes the increased resources needed to properly onboard and maintain new funding sources. As Table 1 and 2 indicate, less staff are committed to more work burden as funding shifts from Prop 10 to leveraged sources. A 1.0 FTE Senior Office Assistant (SOA) is needed for immediate relief to the current 2021-2024 Strategic Plan and should be added during the FY 23-24 budget cycle. While committing to systems change and sustainability will require more Prop 10 resources to fund staff, it is believed to be the best approach by stabilizing staff and retaining organizational knowledge as opposed to adding and deleting positions as grants come and go. However, leveraged funds will be used first when available to fund staff positions and savings will be realized in fund balance.

The SOA is a lead clerical position that can perform most standard office functions. This position will be used to free up more experienced positions that are currently performing these duties, thereby freeing up time for the more complex efforts required in Table 2. The SOA will primarily be used to perform data management for evaluation and administrative support and has an annual cost of \$90,697 (inclusive of salary and benefits).

FINANCIAL ANALYSIS

The Financial Planning Committee's support to add this position will result in \$90,697 additional funds used from reserves to fund the FY 23-24 budget should the Commission approve the budget. The cost of the SOA in the 2024 Strategic Plan has already been included and will not change the available funding. The SOA will be a permanent full time employee which will reduce funding available for the 2027 Strategic Plan by an estimated \$300 thousand. Adding the SOA could lead to more leveraged funding and will assist with compliance requirements for the annual average \$6.7 million already leveraged.

CONFLICT OF INTEREST:

None.

Staff Recommendations

Approve committee support to add one full time equivalent Senior Office Assistant in the FY 23-24 budget

Respectfully submitted,

Julie Galello
Executive Director

cc: Stephanie Wills, Clerk of the Commission

First 5 Sacramento Commission Ten Year Financial Plan

Fiscal Year 2023-24 Recommended Budget

April 3, 2023 Item 9 - ATTACHMENT 3



Dollars in Thousands

RESERVE FUND	2021 Strategic Plan			2024 Strategic Plan			2027 Strategic Plan			2030 SP
	2021-22 Actual	2022-23 Estimated	2023-24 Budget	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Beginning Reserve Balance	\$ 16,477	\$ 20,021	\$ 20,537	\$ 16,722	\$ 12,741	\$ 8,423	\$ 3,771	\$ 3,826	\$ 3,554	\$ 3,000
Carryforward Fund Balance	\$ 5,152	\$ 1,458	\$ 13							
Reserve Release/(Prov for Reserve)	\$ (3,544)	\$ (517)	\$ 3,815	\$ 3,980	\$ 4,318	\$ 4,652	\$ (55)	\$ 273	\$ 554	\$ -
Year End Reserve Balance	\$ 20,021	\$ 20,537	\$ 16,722	\$ 12,741	\$ 8,423	\$ 3,771	\$ 3,826	\$ 3,554	\$ 3,000	\$ 3,000
REVENUE										
Proposition 10	13,015	12,679	10,269	9,805	9,493	9,190	8,897	8,614	8,340	8,074
MAA Claiming	442	396	406	400	400	400	400	400	400	400
B & B CBCAP (Federal)	53	52	52	52	52	52	52	52	52	52
B&B CAPIT (State)	444	444	444	444	444	444	444	444	444	444
Interest Income	140	142	163	199	173	142	106	61	55	44
CalWORKs	3,725	4,688	4,688							
ARPA	0	842	1,419							
HVC, Refugee	101	450	1,144							
Total Revenue	\$ 17,919	\$ 19,692	\$ 18,585	\$ 10,900	\$ 10,562	\$ 10,228	\$ 9,898	\$ 9,571	\$ 9,290	\$ 9,014
EXPENSES										
				SP Reduction: 0%			SP Reduction: 33.8%			
Health	1,219	1,289	1,499							
Nutrition	523	525	527							
Preventive Services Access	57	38	38							
Child Care Access	42	45	45							
Quality Child Care	702	707	733							
School Readiness	3,366	3,505	3,595							
Empowered Families (EF)	6,267	6,344	6,377							
EF CalWORKs Funded	3,746	4,676	4,680							
F5CA - Refugee/HVC	104	506	1,148							
ARPA - BSF/CBCAP	0	897	1,424							
Program Management	288	312	321							
Evaluation	464	413	468							
Systems Improvement	269	276	282							
Administration	1,022	1,088	1,216							
Future Allocations				14,880	14,880	14,880	9,843	9,843	9,843	9,014
Total Expenses	\$ 18,070	\$ 20,621	\$ 22,353	\$ 14,880	\$ 14,880	\$ 14,880	\$ 9,843	\$ 9,843	\$ 9,843	\$ 9,014

Result Area	IP Adjustments	Note
Cal WORKs HVI	\$ 4,680	Commission approved program not included in strategic planning process
ARPA - BSF/CBCAP	\$ 1,424	Commission approved program not included in strategic planning process
F5CA - Refugee/HVC	\$ 1,148	Commission approved program not included in strategic planning process
All Result Areas	\$ 221	Adjustments due to contractors electing to take different amounts in each year to allow for COLAs
Total Adjustments	\$ 7,473	
Adjusted Fiscal 22/23 Budget	\$ 14,880	

RESOLUTION NO. FFC-2023-XXXX

WHEREAS, First 5 Commission staff have submitted estimates of budget requirements for Fiscal Year 2023-24 and those estimates have been reviewed by the County Executive for comment; and

WHEREAS, no comments were received from the County Executive; and

WHEREAS, the First 5 Commissioners have reviewed and considered the Recommended Budget for Fiscal Year 2023-24; and

WHEREAS, recommended budget allocations appropriately conform to the intent of the Commission's 2021 Strategic Plan; and

WHEREAS, the Commission wishes to add 2.0 full time staff positions to support sustainability efforts and responsibilities associated with new leveraged funding ; and

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Recommended Budget for Fiscal Year 2023-24 as submitted by Staff and as revised by the First 5 Commissioners, is a proper financial program for the budget period and constitutes the Recommended Budget for Fiscal Year 2023-24; and

BE IT FURTHER RESOLVED that the Recommended Budget for Fiscal Year 2023-24 and Ten-Year Financial Plan is hereby approved, and shall constitute authorization for Commission expenditures until adoption of the budget for said fiscal year.

On a motion by Commissioner _____, seconded by Commissioner _____, the foregoing Resolution was passed and adopted by the First 5 Sacramento Commission of the County of Sacramento, State of California, this 3rd day of April, 2023 by the following vote, to wit:

AYES: Commissioners,

NOES: Commissioners,

RECUSAL: Commissioners,
(PER POLITICAL REFORM ACT (§ 18702.5.))

ABSENT: Commissioners,

ABSTAIN: Commissioners,

Chair, First 5 Sacramento Commission

(Seal)

Clerk, First 5 Sacramento Commission

FIRST 5 SACRAMENTO COMMISSION
Financial Planning Committee
March 23, 2023

7

Analysis of Financials for Period July 1, 2022 to March 19, 2023

Report Period: 8.5 months
% of Fiscal Year Complete: 72%

▶▶▶ Detail review of selected accounts and accounts greater than 77% expended compared to budget:

20202900 Bus/Conf Expense

Budget: \$9,000
Expended: \$11,951 (133%)

20203100 Business Travel

Budget: \$1,200
Expended: \$1,298 (108%)

These two accounts reflect cost associated with business and conference expenses. First 5 Staff members will be attending the MAA Conference in May. Previous charges include travel for PLTI training and the First 5 Annual Summit.

20206100 Membership Dues

Budget: \$32,540
Expended: \$31,583 (97%)

Used to pay our membership dues in the First 5 Association and is only paid once per year.

20250600 Investment Services

Budget: \$30,741
Expended: \$27,740 (90%)

These funds reflect the payment of service fees to the Local Government Agency (LGA) for processing Medi-Cal invoices. Typical fee is 6 to 7 percent of the invoice. Higher costs in this account are due to the timing of when invoices are paid to the Commission or due to higher than anticipated revenues which will offset the additional cost.

3034800 CW Cost Plan-ACP

Budget: \$9,807
Expended: \$8,361 (57%)

These expenses are a distribution from the County Wide Allocated Cost Plan for the indirect charges to each department. Allocated costs budget amounts are non-negotiable and provided to the Commission by the selling department, estimates are usually accurate but not always.

▶▶▶ Revenue Summary

Revenues were not accrued for this report. The State is experiencing delays in processing Proposition 10 payments and have not made the January and February distributions. First 5 did receive an ARPA reimbursement for qualified employee salaries, this is a one-time reimbursement. Current revenues are available on both attachments.

First 5 Sacramento Commission
Results of Operations
For the Fiscal Year Through March 19, 2023

Account Description	Budget	Total Actual	% of Budget
Salaries	\$1,534,712	\$1,047,689	68%
Benefits	835,961	571,143	68%
Total Salaries & Benefits	\$2,370,673	\$1,618,832	68%
20202400 Periodical/Suscripts	55	-	0%
20202900 Bus/Conference Exp	9,000	11,951	133%
20203100 Business Travel	1,200	1,298	108%
20203500 Ed/Training Svc	26,800	4,509	17%
20203600 Ed/Training Sup	29,370	7,222	25%
20203800 Employee Recogn	100	-	0%
20203900 Emp Transportation	3,000	55	2%
20205200 Ins Premium	40,325	-	0%
20206100 Membership Dues	32,540	31,583	97%
20207600 Office Supplies	13,511	1,112	8%
20208100 Postal Svc	100	-	0%
20208500 Printing Svc	3,000	1,532	51%
20222700 Cell Phones	3,000	1,628	54%
20226100 DTECH Equipment Maintenance	609	406	67%
20250500 Accounting Svc	38,138	17,325	45%
20250600 Investment Svc	30,741	27,740	90%
20253100 Legal Svc	13,000	-	0%
20259100 Other Prof Svc	18,597,532	11,086,151	60%
20259105 Media Svc	56,000	22,773	41%
20271100 DTECH Desktop Support	12,000	4,323	36%
20281200 Data Processing Sup	5,129	1,559	30%
20281202 MS Enterprise Agrmt (EA)	871	-	0%
20289800 Other Oper. Sup	47,432	-	0%
20289900 Other Oper. Svc	700	441	63%
20291000 Countywide IT Services - ACP	10,351	7,762	75%
20291100 DTech Labor - ACP	5,824	4,369	75%
20291200 DTech Fee - ACP	12,046	9,277	77%
20291300 Auditor Svcs	38,100	12,028	32%
20291301 Finance General Accounting - ACP	1,263	842	67%
20291302 Finance Payroll Services - ACP	557	371	67%
20291303 Finance Payment Services - ACP	1,698	1,132	67%
20291305 Finance Internal Audits - ACP	450	300	67%
20291306 Finance System Control & Recon - ACP	881	587	67%
20291400 Co Exec Cab Svc	8,479	4,240	50%
20291600 Wan Allocation	17,231	12,923	75%
20291700 Alarm Svcs - ACP	3,122	2,081	67%
20292100 GS PRINTING SVC	4,500	-	0%
20292200 GS MAIL/POSTAGE	200	47	23%
20292300 Messenger Services - ACP	4,427	2,916	66%
20292500 Purchasing Services - ACP	1,161	774	67%
20294200 Facility Use - ACP	641	427	67%
20294300 Lease Property - ACP	80,003	44,767	56%
20295102 Benefit Admin Svcs - ACP	2,081	1,387	67%
20295103 Employment Services - ACP	4,387	2,925	67%
20295104 Training Svcs - ACP	1,308	872	67%
20295105 DPS Dept Svcs Teams - ACP	8,457	5,638	67%
20295106 401A Plan Admin Svcs - ACP	207	138	67%
20295107 Labor Relations - ACP	1,628	1,085	67%
20296200 GS PARKING CHGS	2,000	544	27%
20298300 Surplus Property - ACP	510	340	67%
20298700 Telecommunication - ACP	17,986	8,415	47%
30348000 CW Cost Plan - ACP	9,807	8,361	85%
Total Services & Supplies	19,203,458	11,356,388	59%
Total Expenditures	\$21,574,131	\$12,975,221	60%
94941000 Interest	\$199,016	70,943	36%
95953000 CalWORKs	\$4,688,443	2,566,110	55%
95955500 Medi-Cal State Aid	396,103	462,341	117%
95956900 State - Prop 10 Monthly Allocation	9,687,058	4,335,230	45%
95956900 State - Prop 10 Backfill (Prop 56)	3,136,479	2,881,682	92%
95956900 State - SMIF	27,128	-	0%
95956900 State - HVCC	13,943	-	0%
95956900 State - CAPIT	444,000	222,187	50%
95959900 State - F5CA Refugee Assistance	570,000	3,623	1%
95959900 Federal Aid - CBCAP	51,521	59,906	116%
95959900 Federal Aid - CBCAP (ARPA)	428,895	-	0%
95959900 Federal Aid - BSF (ARPA)	990,000	1,615	0%
Total Revenue	\$20,632,586	10,603,635	51%

**First 5 Commission Sacramento
Results of Operations
For the Period Ending March 19, 2023**

Descriptions	Budget	Actual	(Over) Under Budget	% Remaining Budget
A. REVENUE				
Tobacco Tax Allocation	12,850,665	7,216,911	5,633,754	
Medi-Cal Administrative Activities (MAA)	396,103	462,341	(66,238)	
CBCAP/CAPIT	495,521	282,093	213,429	
Interest Earnings	199,016	70,943	128,073	
CalWORKs HVP	4,688,443	2,566,110	2,122,333	
HVCC	13,943	-	13,943	
ARPA BSF/CBCAP	1,418,895	1,615	1,417,280	
F5CA Refugee Support	570,000	3,623	566,377	
TOTAL SOURCES OF FUNDS	20,632,586	10,603,635	10,028,951	49%
B. FUNDED PROGRAMS				
Health	1,496,357	1,039,399	456,958	31%
Personnel	187,710	126,999	60,711	
Professional Svcs	1,285,535	900,128	385,406	
Media & Program Support	23,112	12,271	10,841	
Nutrition	527,864	322,976	204,888	39%
Personnel	42,817	28,678	14,139	
Professional Svcs	477,134	289,780	187,353	
Media & Program Support	7,914	4,518	3,396	
Medical, Dental & Mental Health Access	37,939	25,311	12,628	33%
Personnel	31,004	21,304	9,700	
Professional Svcs	-	-	-	
Media & Program Support	6,935	4,008	2,928	
Child Care Access	44,700	30,390	14,311	32%
Personnel	40,786	28,348	12,438	
Professional Svcs	-	-	-	
Media & Program Support	3,914	2,041	1,873	
Quality Childcare	719,440	412,567	306,874	43%
Personnel	40,786	28,348	12,438	
Professional Svcs	655,115	376,099	279,016	
Media & Program Support	23,539	8,119	15,420	
School Readiness	3,593,589	2,269,904	1,323,685	37%
Personnel	142,263	98,691	43,572	
Professional Svcs	3,418,002	2,157,990	1,260,012	
Media & Program Support	33,323	13,222	20,101	
Empowered Families	6,374,459	4,136,462	2,237,996	35%
Personnel	154,445	107,085	47,360	
Professional Svcs	6,140,998	3,988,141	2,152,857	
MAA Fees	24,110	27,740	(3,631)	
Media & Program Support	54,905	13,495	41,410	
CalWORKs	4,675,817	3,083,255	1,592,561	34%
Personnel	189,362	130,868	58,494	
Professional Svcs	4,465,810	2,942,692	1,523,118	
Media & Program Support	20,645	9,696	10,949	
Home Visiting Collaboration	13,943	8,621	5,322	38%
Systems Optimization & Sustainability	279,468	167,898	111,570	40%
Building Strong Families (ARPA)	992,165	42,510	949,655	96%
CBCAP Augmentation (ARPA)	430,143	27,013	403,130	94%
Refugee Family Support	570,367	194,178	376,190	66%
Program Management	312,557	216,340	96,217	31%
Total Funded Programs	20,068,808	11,976,822	8,091,985	40%
C. OPERATING EXPENSES	1,092,546	689,008	403,538	37%
Personnel	715,638	510,190	205,448	
Contracts	50,000	58,323	(8,323)	
Direct Operating Expenses	198,612	77,629	120,983	
Allocated Operating Expenses	128,296	42,866	85,430	
D. PROGRAM EVALUATION	412,777	309,391	103,387	25%
TOTAL EXPENDITURES	21,574,131	12,975,221	8,598,910	40%