



DATE: Monday, August 23, 2010
TIME: 4:00 p.m.
ADDRESS: Silicon Valley Community Foundation
 1300 South El Camino Real, Suite 100, Room 114
 San Mateo, CA

AGENDA

Estimated Duration: 15 Minutes (Items 1-7)		
1.	Call to Order and Roll Call	Kaplan
2.	Approval of Agenda	Kaplan
3.	Oral Communication from the Public*	Kaplan
4.	Oral Communication from the Commission*	Kaplan
5.	Approval of Minutes for the June 28, 2010 Commission Meeting (See Attachment #5)	Kaplan
6.	Executive Director's Report (See Attachment #6)	Armstrong
7.	Consideration of Committee Updates and Reports A. Standing Committees <ul style="list-style-type: none"> ▪ Program and Planning ▪ Finance and Administration ▪ Early Childhood Evaluation Advisory (See Attachment #7)	Kaplan/Committee Representatives
Estimated Duration: 50 Minutes (Items 8-11)		
8.	Approve FY 2009/2010 Year-End Budget Closeout and 2-Year Recommended Budget for FY 2010/2011 and 2011/2012 (See Attachment #8)	Armstrong/Watt
9.	Approval of Repayable Loans for Childcare Providers (See Attachment #9)	Armstrong
10.	Evaluation Presentation: Examining the F5SMC Systems Change Activities	Clark
11.	Meeting Adjournment	Kaplan

* Persons wishing to address a particular agenda item should speak during that agenda item
 Public records that relate to any item on the open session agenda for a regular Commission meeting are available for public inspection. Those records that are distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to all members, or a majority of the members of the Commission. The Commission has designated the First 5 San Mateo County office located at 1700 S. El Camino Real, Ste.405, San Mateo CA, 94402, for making those public records available for inspection. The documents are also available on the First 5 Internet Web site at www.first5sanmateo.org.

IN COMPLIANCE WITH THE CALIFORNIA GOVERNMENT CODE AND THE AMERICANS WITH DISABILITIES ACT: First 5 San Mateo County's Commission meetings are accessible to individuals with disabilities. Contact Cynthia Alvarez at (650) 372-9500 x229 at least three business days prior to the meeting, if (1) you need special assistance or a disability-related modification or accommodation, including auxiliary aids or services, in order to participate in this meeting; or (2) you have a disability and wish to receive the meeting notice, agenda packet or other writings that may be distributed at the meeting in an alternative format. Notification in advance of the meeting will enable First 5 San Mateo County to make reasonable arrangements to ensure full accessibility to this meeting and the materials related to it.

First 5 San Mateo County
2010 COMMISSION/COMMITTEE MEETING CALENDAR

The Commission meets the 4th Monday of every month at the Silicon Valley Community Foundation (SVCF), 1300 S. El Camino Real, Suite 100, Room 114, San Mateo.

Commissioner Committees

- **Finance and Administration Committee** meets on the **2nd Monday of every other month (Bimonthly)** to review the Commission's budget, contracts, administrative costs, investment strategies and purchases.
- **Program and Planning Committee** meets on the **1st Monday of every month** to review program specific content areas and help facilitate the successful implementation of the Commission's Strategic Plan.

Advisory Committees

- **San Mateo County Prenatal to Five Partnership (formerly Prenatal to Three Initiative Committee)** meets on the **1st Thursday every other month (Bimonthly)** to support service integration and systems change across the various domains of early childhood development countywide.
- **Early Childhood Evaluation Advisory Committee** meets, as needed, to advise the implementation of First 5 San Mateo County's outcome-based evaluation framework and helps the Commission use evaluation results to inform strategic decision making.

August 2010	September 2010	October 2010
8/2 Program and Planning Meeting 9:30-10:30 a.m., F5SMC	9/2 San Mateo County Prenatal to Five Partnership, 2:30-4:00 p.m., SVCF	10/4 Program and Planning Meeting 9:30-10:30 a.m., F5SMC
8/9 Finance and Administration Meeting, 9:30-10:30 a.m., F5SMC	9/13 Program and Planning Meeting 9:30-10:30 a.m., F5SMC	10/18 Finance and Administration Meeting, 9:30-10:30 a.m., F5SMC
8/16 Early Childhood Evaluation Advisory Meeting, 3:30-5:00 p.m., F5SMC		10/18 Early Childhood Evaluation Advisory Meeting 3:30-5:00 p.m., F5SMC
8/23 Commission Meeting 4:00-6:00 p.m., SVCF		10/25 Commission Meeting 4:00-6:00 p.m., SVCF
November 2010	December 2010	
11/1 Program and Planning Meeting 9:30-10:30 a.m., F5SMC	12/6 Program and Planning Meeting 9:30-10:30 a.m., F5SMC	
11/4 San Mateo County Prenatal to Five Partnership, 2:30-4:00 p.m., SVCF	12/13 Finance and Administration Meeting, 9:30-10:30 a.m., F5SMC	
	TBD Commission Meeting 4:00-6:00 p.m., SVCF	

**First 5 San Mateo County
COMMISSION MEETING
MINUTES
June 28, 2010**

Present:

- Commission Members: Angel Barrios, Beverly Beasley Johnson, Jean Fraser, Jorge Glascock, Rich Gordon, Harvey Kaplan, David Mineta, and Laura Walker
- Staff: Cynthia Alvarez, Debby Armstrong, Michelle Blakely, Jenifer Clark, David Fleishman, Jason Gordon, Karen Pisani, Emily Roberts, Chonne Sherman, and Mey Winata
- County Counsel: David Silberman
- Youth Commissioners: Terry Chan and Sylvia Chen

Absent: Jean Holbrook

1. Call to Order and Roll Call

Commissioner Kaplan called the meeting to order at 4:02 p.m.

2. Approval of Agenda

There being no changes to the agenda, the June 28, 2010 agenda was approved.

MOTION: A motion for approval of the June 28, 2010 Agenda was made by Commissioner Beasley Johnson and seconded by Commissioner Fraser. Unanimously Approved.

3. Oral Communication from the Public

None.

4. Oral Communication from the Commission

None.

5. Approval of Minutes for the May 24, 2010 Commission Meeting

There being no additions or comments to the minutes, the May 24, 2010 Commission Meeting Minutes were approved.

MOTION: A motion for approval of the May 24, 2010 Commission Meeting Minutes was made by Commissioner Beasley Johnson and seconded by Commissioner Fraser. Unanimously Approved.

6. Executive Director's Report

Debby Armstrong provided the following verbal update:

- State Budget Update: The Governor's May Revise includes proposals to eliminate CalWORKs and nearly all state child care services. The governor's budget plan, as well as proposals put forth by state Senate and Assembly Democrats, all included an assumption of nearly \$2 billion in federal assistance through an extension of the American Recovery and Reinvestment Act (ARRA).
- First 5 San Mateo County is currently in the process of conducting the annual financial audit with an external auditor.
- The First 5 Association of California is collecting information and data from all 58 county commissions which in turn will be disseminated to the state commission and state legislators. The purpose is to inform both the state commission and state legislators of the work being done statewide from all county commissions. In a recent analysis of F5SMC funding, over 200

positions have been created which has greatly benefited the local workforce in San Mateo County.

- Debby Armstrong reminded the Commission that there will not be a Commission meeting in July.
- Dr. Scott Morrow and Anand Chabra, M.D., contacted Debby Armstrong to discuss F5SMC's assistance in providing factual information about Bordetella Pertussis to the public. F5SMC will be coordinating with the Health System to distribute a Health Bulletin which will be sent to grantees and contacts countywide.

The Commission commented on the importance of disseminating information about infectious diseases to the community. A request had been made from the San Mateo County Health System to include information on Bordetella Pertussis in the Kit for New Parents. Debby Armstrong elaborated that due to the limited amount of customized pieces that can be included in the Kit for New Parents, the information relating to Bordetella Pertussis could not be included at this time; however the information could be presented through a coordinated Health Bulletin with the San Mateo County Health System as previously mentioned.

7. Consideration of Committee Updates and Reports

Full reports of the Program and Planning Committee, Finance and Administration Committee, and Early Childhood Advisory Committee were provided to the Commission and members of the public.

8. Approve First 5 San Mateo County Policies

First 5 San Mateo County is required to review the Commission's policies on an annual basis. At the Finance and Administration Committee's January 2010 meeting, the committee discussed the review of the six policies. Four of the policies are mandated and include the following: Contracting and Procurement; Conflict of Interest; Salary and Benefits; and Administrative Costs. The remaining two are F5SMC's internal control policies and include the following: Supplantation and Intellectual Property Protocol. All recommended changes to each policy, which have been discussed with County Counsel, are included for review at today's meeting. With regard to the Intellectual Property Protocol policy, the recommendation is to eliminate the policy and incorporate it into F5SMC's contract language template.

MOTION: A motion to approve First 5 San Mateo County Policies was made by Commissioner Gordon and seconded by Commissioner Fraser. Unanimously Approved.

9. Approve Contract Recommendations for Bridges to Success (School Readiness Initiative) Lead Agencies

Debby Armstrong and Michelle Blakely provided a presentation on Bridges to Success. Commissioners Barrios and Walker recused themselves from both discussion and voting. The following are highlights from the presentation:

- Nine communities will participate in the Bridges to Success program. These communities include both North and South Counties and Coastside communities.
- All communities will receive services from the four desired Bridges to Success areas of Ready Children, Ready Families, Ready Schools, and Ready Communities.
- The leadership for the Bridges to Success project will be based on a co-lead model with Silicon Valley Community Foundation (SVCF) and Youth and Family Enrichment Services (YFES) as the co-leads respectively.
- The breakdown of overall funding resources for BTS includes: 75% of F5SMC direct funding, 6% leveraged (other sources), 11% in-kind (partners), and 8% F5SMC braided (other F5SMC contracts).
- The funding recommendation for SVCF would be for 30 months through December 2012 in the amount of \$2,230,000. SVCF funding includes the Kickoff to Kindergarten program in the

summer of 2012. The funding recommendation for YFES would be for 24 months through June 2012 in the amount of \$1,757,716.

Commissioners had the following questions following the presentation: whether all nine of the participating communities will receive all of the services and what the role of the partners will be in this project. Michelle Blakely explained that all nine of the participating communities will be receiving all the outlined services based upon the available resources within each community. There will also be opportunities for partners to participate in the project through training, development, planning, and triaging. In conclusion, Erica Wood, Vice President of Community Leadership at SVCF, and Michael Garb, CEO of YFES, expressed their support of the Bridges to Success project and briefly shared their experiences with the project thus far.

MOTION: A motion for approval of contract with Silicon Valley Community Foundation in the amount of \$2,230,000 for a 30 month term July 1, 2010 through December 31, 2012 was made by Commissioner Gordon and seconded by Commissioner Fraser. Unanimously Approved.

MOTION: A motion for approval of contract with Youth and Family Enrichment Services in the amount of \$1,757,716 for a 24 month term July 1, 2010 through June 30, 2012 was made by Commissioner Gordon and seconded by Commissioner Fraser. Unanimously Approved.

ROLL CALL: YESSES: Commissioners Beasley Johnson, Fraser, Glascock, Gordon, Kaplan, and Mineta
 NOES: None
 RECUSED: Commissioners Barrios and Walker
 ABSENT: Commissioner Holbrook

10. Approve Child Care Coordinating Council (Service Corps) Amendment Extending Contract Term to September 30, 2010

At its June 29, 2009 meeting, the First 5 San Mateo County Commission approved extending the current Service Corps contract by one year through FY 09/10, to allow time to transition the program administratively and structurally. A no-cost term extension through September 30, 2010 is being requested to allow for final invoice processing and fiscal reconciliation of the Child Care Coordinating Council's two grantors of the current Service Corps program (Prevent Child Abuse - California and First 5 Orange County) which follow an October through September timeframe. Commissioner Walker recused herself from both discussion and voting.

MOTION: A motion to approve the Child Care Coordinating Council (Service Corps) Amendment Extending Contract Term to September 30, 2010 was made by Commissioner Fraser and seconded by Commissioner Mineta. Unanimously Approved.

ROLL CALL: YESSES: Commissioners Barrios, Beasley Johnson, Fraser, Glascock, Gordon, Kaplan, and Mineta
 NOES: None
 RECUSED: Commissioner Walker
 ABSENT: Commissioner Holbrook

11. Approve Child Care Coordinating Council Agreement (First 5 Building Kids Up Service Corps Program) in the Amount of \$160,000 for FY2010/11

F5SMC Commission approved transitioning the program administratively and structurally in order to realize savings via reduced administrative overhead, and to address the direct-service needs of our

community by converting the program to an AmeriCorps-only effort. 4Cs and F5SMC were recently notified that California Volunteers did not grant an award for "Building Kids Up" and that 4Cs will be invited to apply again next fiscal year. Prevent Child Abuse California (PCA-CA), however, is eager to work with 4Cs and is ready to enter into a contract to pilot "Building Kids Up" starting July 1, 2010. On December 14, 2009, the Finance Committee recommended funding the Service Corps Program (via the 3-5 year-old component of the California Volunteers application) in the amount of \$160,000 during FY2010/11. The funding for "Building Kids Up" via PCA-CA is in line with the Finance Committee's prior recommendation, F5SMC's Strategic Plan and Long-Term Financial Plan, and is allocated within the approved Cycle 1 budget.

The Commission asked for the reason of the late notification from California Volunteers and how will this affect the number of children served. Debby Armstrong explained that 4Cs had anticipated hearing from California Volunteers at the beginning of the month; however notification wasn't received until last week. The number of children served will remain the same and only be targeted to the 0-5 population instead of the previously targeted group of 0-8 years old. Commissioner Walker recused herself from both discussion and voting.

MOTION: A motion to approve the Child Care Coordinating Council Agreement (First 5 Building Kids Up Service Corps Program) in the Amount of \$160,000 for FY2010/11 was made by Commissioner Fraser and seconded by Commissioner Beasley Johnson. Unanimously Approved.

ROLL CALL: YESSES: Commissioners Barrios, Beasley Johnson, Fraser, Glascock, Gordon, Kaplan, and Mineta

NOES: None

RECUSED: Commissioner Walker

ABSENT: Commissioner Holbrook

12. First 5 San Mateo County 2008-2009 Annual Report to the Community

Debby Armstrong presented the First 5 San Mateo County Annual Report to the Community for 2008-2009 which was available to the Commission and members of the public. The Annual Report highlights the work and achievements that have been made through F5SMC investments. The Annual Report will be distributed county-wide from government entities to local businesses, community partners, and media. Additionally, Debby Armstrong thanked F5SMC staff for their contributions in producing the Annual Report.

Debby Armstrong and Commissioner Kaplan presented F5SMC's 1st Spotlight on Excellence Award to Jeanie McLoughlin, Director of the Early Childhood Quality Improvement Project (EQuIP), for her outstanding achievement of strategies & activities in the Focus Area of Early Learning through her successful implementation of the Preschool for All Program while demonstrating the Core Values and Guiding Principles of Excellence, Innovation, and Leadership. Jeanie McLoughlin expressed her thanks to the Commission, F5SMC staff, and community partners for the award and support throughout the years.

13. Farewell to Commissioner Mineta

Debby Armstrong and Commissioner Kaplan thanked Commissioner Mineta for his work as a F5SMC Commissioner and wished him well in his new post as Deputy Director of Demand Reduction for the Obama Administration.

14. Meeting Adjournment

Commissioner Gordon motioned to adjourn the meeting. Commissioner Walker seconded. The meeting adjourned at 5:15 pm.

DATE: August 23, 2010
TO: First 5 San Mateo County Commissioners
FROM: Debby Armstrong, Executive Director
RE: Executive Director's Report

Agenda Overview

Today's meeting includes approval of the Commission's operating budget for the next two fiscal years and consideration of a short-term repayable loan program for child care providers due to the state budget impasse. Discussion of the repayable loan program is of a time sensitive nature due to the enormity of possible impacts to San Mateo families. Both items were discussed at the August 9th Finance & Administration Committee.

In addition, staff will present highlights of activities from the Strategic Plan's Communications and Systems Change focus area that have transpired since implementation of First 5 San Mateo County's Comprehensive Evaluation.

Follow Up Items from the Last Commission Meeting

There were no follow up items from the June 28, 2010 Commission meeting.

State Budget Update

Due to the large gap between projected expenditures and projected revenues, the Conference Committee has been unable to produce a final budget. It is unclear how the gap will be filled because Republican members of the Legislature have signed a "no new taxes" pledge. As a result, some Republicans who supported new revenues in years past lost their seats. The Democrats are protective of a number of state-funded programs and refuse to make cuts deep enough to close the gap. Because the Conference Committee is considered to be "open," programs not initially in conference can still be put on the agenda for further discussion.

In July 2010, State lawmakers unveiled a new plan that would shift a number of state programs to counties, including services vital to young children. California Senate Democrats put forth a proposal to transfer several state programs to local governments as a cost-saving measure. According to Senate President Darrell Steinberg (D-Sacramento), the restructuring proposal was designed to close the final \$2 billion hole in the Senate's earlier budget plan.

Under the Senate proposal, CalWORKs would become a county program, with counties' share of costs increasing from 2.5 percent to 25 percent. CalWORKs child care would also be shifted entirely to counties, which according to the [California Budget Project](#), could be problematic if there is not enough planning and lead time for a seamless transition for providers and families.

Other state programs that would be shifted under the plan include Public Safety, Drug Courts, and Adult Protective Services. In return, counties would be given flexibility and incentives to tailor programs to address local needs and establish savings. To finance the shift, legislators would create an estimated \$3.2 billion in new revenue streams by:

- Establishing an oil severance tax

- Transferring Vehicle License Funds from the Department of Motor Vehicles to counties
- Maintaining temporary Vehicle License Funds rate increase
- Providing "bridge" funding through a delay of the corporate tax breaks until 2011-2012
- Providing extra bridge funding by shifting part of the state sales tax revenues to counties through 2012-2013

On August 18, 2010, State Controller John Chiang said California was only "two to four weeks" away from issuing IOUs for the second consecutive year as the state budget is now more than a month and a half overdue. However, a number of constitutional and legal restrictions prevent making certain types of payments without an enacted budget. For the list of payments that can and cannot be paid without an enacted budget, go to [California State Controller's Office](#).

Additional Resources: [State Democrats' Multi-Year Government Restructuring Proposal](#), [California Budget Project: Senate Offers Realignment Proposal](#) and [California State Association of Counties Statement on Restructuring Proposal](#)

To access live links, go to www.first5sanmateo.org.

State and Regional Activities

Early Childhood Education: Early Childhood Education providers have reported to First 5 Commissions that it may be more difficult this year to obtain bridge loans during the budget delay if lenders are nervous about whether the programs will ultimately be funded, in spite of Legislative reassurance. First 5 commissions continue to help their communities during the budget crisis, both to protect First 5 and to continue to educate legislators about their activities. The following are a few examples of First 5 Commissions supporting their communities:

- First 5 Humboldt County is working with a local economic development agency to establish a loan fund, but said the commission and the local agency are concerned about the risk involved.
- The First 5 Sonoma County Commission voted to provide emergency loans for child care providers. The policy requires borrowers to expend their lines of credit prior to accessing the loan fund.

First 5 and Public Policy: Discussion of a Policy Agenda for Young Children: The First 5 Association has engaged in successful public policy efforts in response to proposals to modify or eliminate Prop 10. The Association, however, has not historically taken positions on other pending bills because the process adopted years ago has proven to be quite cumbersome.

At the April 2010 First 5 California meeting, Commissioner Conway Collis suggested that First 5 promote a policy agenda focused more broadly on early child well-being, not just related to First 5 activities. In response, the First 5 Association formed a subcommittee representing all regions of the state to review the Association's process for taking positions on bills and suggesting changes if needed. In addition, the Executive Committee asked the Bay Area Region to share its experience in developing a policy agenda at the July Association meeting. The following are examples of First 5 policy work to affect policy changes at the regional and state levels:

- First 5 Bay Area Region held discussions over approximately a year, identified areas of common work, commissioned policy briefs in several of those areas, and developed a policy platform with objectives and potential strategies.
The policy objectives grew directly out of the work of the 12 Bay Area local commissions and demonstrate what First 5 has learned about how best to meet the needs of young children and their families.
The policy agenda helps commissions that are part of their county structure and not able to take positions independent of the Board of Supervisors to incorporate priority areas into their county's legislative agenda.
- First 5 Fresno assists in training local parents to advocate and speak out on issues in their county. The training resulted in a group of parents prepared to participate in future advocacy efforts.

CARES Plus Update: First 5 California has concluded its public input sessions for the upcoming CARES Plus program. Currently, First 5 California is in the process of writing the CARES Plus RFA (Request for Application). The tentative date to have the RFA posted on the F5CA website is late September 2010. An e-mail will be sent out to the Early Childhood Education Community on the actual day of posting. For periodic updates or to sign up for the CARES Plus list serve, go to <http://www.cfc.ca.gov/Help/caresplus.asp>.

First 5 California (F5CA) Communications: F5CA is working with Fraser Communications to develop a Public Education and Outreach Campaign focusing on nutrition, exercise and obesity, the importance of reading regularly to children, and smoking cessation. F5CA has held a webinar available to all county commissions to maintain collaboration and feedback. The campaign will target to low income and hard to reach populations.

Local Activities

Annual Review Process of F5SMC Funded Programs: In the final months of the 09/10 fiscal year, Program staff worked diligently with all grantees to conduct annual reviews of each funded project. During the annual review process staff conducts site visits with each grantee, examines program strategies and budgets, and if needed, budgets are adjusted, in preparation for the new fiscal year.

Evaluation and Data Collection Activities: On August 10 and 12, 2010, F5SMC and evaluation consultant SRI International held a data collection training for First 5 funded service providers. The training served to orient new service providers to the comprehensive evaluation as well as being a forum for experienced staff to trouble-shoot data collection challenges and share best practices. F5SMC staff and SRI International are currently collecting and cleaning program data for submission in the Annual Report to First 5 California and local evaluation efforts.

Bill of Rights for Children & Youth in San Mateo County (CBOR): F5SMC staff, in conjunction with several community partners, developed a communication and policy framework that is in the final stages of completion. The targeted completion date is September 2010.

San Mateo County Boards and Commissions: The County Manager's Office has created a new County Boards and Commissions website, which will go live on August

23, 2010. The focus of the website is to promote the work of the boards and commissions and improve their visibility.

Each board and commission has a liaison responsible for ensuring that their board or commission regularly posts meeting minutes, agendas, work plans, annual reports, meeting schedules, maintains rosters and contact information. Boards and commissions that have existing web pages will provide links to the Clerk of the Board website for Boards and Commissions vacancies, rosters and appointments to local boards and commissions.

The County Manager's office has requested that each member of a Board or Commission submit quotes for the testimonials page. Quotes and pictures of the board or commission members will be rotated to keep the website updated and informational for individuals that may be interested in serving on a board or commission.

First 5 San Mateo Commissioners are requested to submit their quote or testimonial to F5SMC Staff member, Chonne Sherman, by September 1, 2010.

Examples of questions to assist in developing a quote or testimonial are as follows: Why do you serve? How are you making a difference in your community? What have you learned about yourself and/or your community that has surprised you?

For quote examples go to <http://vcm/portal/site/bnc> or contact Chonne Sherman at csherman@co.sanmateo.ca.us.

Communications and Community Outreach

Bay Area Heart Walk: First 5 San Mateo County staff has joined the County Health Department's Heart Walk team to support the American Cancer Society's efforts to eliminate heart disease and stroke.

Media Coverage:

- The monthly grantee newsletters focusing on Summer Safety Tips and Pertussis were reprinted in the Pacifica Riptide.
- On July 9, 2010 the San Mateo County Times printed an article featuring the Commission's approval of the Bridges to Success project. Reporter Neil Gonzales visited preschool classes at Fair Oaks Elementary School and talked with preschool students and kindergarten teachers. The article highlighted the importance of a smooth transition from preschool to kindergarten, particularly those in low-income communities, and the roles of Silicon Valley Community Foundation, Youth and Family Enrichment Services, and the County Office of Education.

The article also contained the following quotes from Michelle Blakely, F5SMC Program and Planning Director, "We're looking at providing as much support as we can for children and their parents." "The program will bolster academic and social activities for preschoolers — who number more than 12,000 in the county and will identify children who may need additional attention as well as help parents go over their child's development."

2008-2009 Community Report:

- Since the presentation to the Commission in June, the Community Report has been distributed to over 1,000 individuals and organizations throughout San Mateo County and the State. Staff continues to increase distribution lists to the following entities: Mayors, City Councils, Legislative Delegations, charities and

non-profits, Chambers of Commerce, boards and commissions, and First 5 Commissions statewide. To add to a distribution list or request a copy of the 2008-2009 Community Report, contact Chonne Sherman at csherman@co.sanmateo.ca.us.

- After receiving the 2008-2009 Community Report, Daly City Council Member David Canepa met with Debby Armstrong to discuss the function of First 5 San Mateo County and funded services in the areas of childhood development, health care, parent education, and other programs that improve services for children from a prenatal stage through age five and their families.

Council Member Canepa championed the Bill of Rights for Children & Youth in San Mateo County which was adopted by the Daly City Council. He has also volunteered to collaborate with Debby Armstrong in the completion of the Bill of Rights communication and policy framework.

Date: August 23, 2010
To: First 5 San Mateo County Commission
From: Debby Armstrong, Executive Director
Re: Commission Committee Updates and Reports

Program and Planning Committee

Members Present: Beverly Beasley Johnson and Jean Holbrook

Member Absent: Angel Barrios

Public Present: Mary Hansell

On August 2, 2010 the Program and Planning Committee met. After review and corrections of minutes from the previous meeting, announcements were made. Debby Armstrong announced that recruitment was underway for the Commission seat previously held by David Mineta.

Bridges to Success/School Readiness:

Since the contract with the two lead agencies was approved in June, the following activities have begun: the Kickoff-to-Kindergarten summer transition program is underway; F5 staff have begun regular coordination meetings with the two lead agencies; hiring for the Transition Coordinator has reached the interview stage; the lead agencies are finalizing the contracts with their BTS partners; meetings in the nine BTS communities are underway – F5 staff are attending when appropriate; and the BTS advisory board is being assembled. Discussion took place on strategies to promote awareness and success of BTS.

Early Childhood Education Workforce:

Discussion centered on the upcoming release of an RFP from First 5 CA, called CARES Plus, which will match a percentage of local county investments in particular aspects of workforce development and support. Largely the match will be used to support language development and degree attainment. As well, a Workforce Registry, is being planned for match funding. Input is still being gathered by First 5 CA for an anticipated RFP release in September. F5SMC and the 4C's will be seeking local community input to explore aspects of CARES Plus that would be a good fit for San Mateo County.

Children's Bill of Rights:

Discussion took place, noting the second anniversary of the adoption of the Children's Bill of Rights. Ideas for capitalizing on this occasion were discussed and feedback was given regarding a Children's Bill of Rights Guide for Parents, Educators, Business, and Government developed by F5SMC and local community partners.

The next POP meeting will be held on Monday, September 13, 2010.

Finance and Administration

Members Present: Jean Fraser, Rich Gordon, and Harvey Kaplan

The Finance and Administration Committee met on August 9, 2010. The Finance Report was given by Debby Armstrong and contained information about the new CARES Plus RFP being developed by First 5 California (F5CA). First 5 San Mateo County (F5SMC) had originally been receiving a 1 to 4 match from F5CA for the SaMCARES program, which ended in December 2009. The current Cycle 1 funding for the SaMCARES program does not receive any matching funds from F5CA. Debby Armstrong informed committee members she would continue to monitor the details of the new CARES Plus program and share them with the Commission as they become available.

Additional information was provided to Committee members regarding two requests that involve the current Intellectual Property Protocol Policy (IPP). The first request is for the Kindergarten Readiness Handbook and DVD. This product was created in partnership between F5SMC and Silicon Valley Community Foundation (SVCF). Other First 5 Counties have expressed interest in modifying the DVD's to fit their individual county needs. The second request is from the F5SMC Cycle 1 grantee Community Gatepath, currently being funded for the AbilityPath website. They would like to make some changes to the AbilityPath website in order to create sustainability and revenue for the project. Committee members have directed staff to move forward on these two requests. F5SMC staff will work closely with County Counsel to ensure the appropriate process is followed and continue to keep Committee members updated.

The Committee also reviewed and approved the FY 2009/2010 Year End Budget Closeout and 2 Year Recommended Budget for FY 2010/2011 and 2011/2012. The group also discussed information brought forward by staff related to repayable grants for Child Care Providers (CCP). Due to the State of California budget not yet being passed, a large number of Child Care Providers are facing severe cash flow issues. These providers normally receive reimbursement for their State of California Child Care spaces. To date six CCP providers located in San Mateo County have been identified as needing cash flow assistance in order to stay open. Further information will be discussed at the August 23rd Commission meeting regarding these repayable grants and the criteria set forth by F5SMC for CCP's to qualify.

The next Finance and Administration Committee meeting will be held on Monday, October 18th.

Early Childhood Evaluation Advisory Committee (ECEA)

Members Present: Harvey Kaplan, Jim Miller, and Sarah Kinahan

Staff provided an update on the bidding and contracting process for the First 5 San Mateo County Family Survey. This countywide telephone survey, last done in 2006, collects information on a representative sample of parents with children ages 0-5. Topic areas include demographic and economic indicators, family literacy and screen time, health and dental access and utilization, mental health, breastfeeding and nutrition, special needs, parenting knowledge and practices, and experience with child care and preschool. Results are used to understand the population we serve, assess their needs, and to provide local population-based comparison data for clients served by funded programs. F5SMC has obtained three bids to implement this survey, which differ significantly in cost. Staff will review the bids in more detail and return to ECEA and the Commission with a recommendation on how to proceed with a competitive process that will result in a cost-effective and high quality product.

Jenifer Clark presented evaluation results from Phase 2 of the Watch Me Grow: Special Needs project. Committee members were pleased with the impact of this ambitious initiative to develop a system of care supporting children with disabilities or other special needs, and requested electronic copies of the full report. The group discussed how this systems change initiative and its evaluation has informed plans to evaluation F5SMC systems change activities more broadly.

Jenifer Clark gave a draft presentation of the planned evaluation of our Communications and Systems Change focus area for discussion and feedback. The group discussed how best to communicate the complex, multi-faceted nature of the systems change activities supported by F5SMC and the proposed evaluation of those activities.

The next ECEA meeting is scheduled for October 18, 2010.

Committees that did not meet during the month of August:

	Committee	Next Meeting
1.	The San Mateo County Prenatal to 5 Partnership Liaisons: Beverly Beasley Johnson and Laura Walker	September 2, 2010

Date: August 23, 2010
To: First 5 San Mateo County Commission
From: Finance and Administration Committee
Re: Approve Budget Closeout FY 2009-2010 and
 2-Year Recommended Budget for FY 2010-2011 and 2011-2012

ACTION REQUESTED

1. Approve Budget Closeout for FY 2009-2010
2. Approve 2-Year Recommended Budget for FY2010-2011 and FY2011-2012

BACKGROUND

1. F5SMC's Budget Closeout for FY2009-2010

Staff conducted two budget reconciliations; the mid-year in January 2010 and the 3rd quarter in March 2010. Both reconciliations reveal that the Commission continues to experience a shortfall in revenue, while at the same time, a savings in appropriations (expenditures).

At Year-End, total revenue is at 96% and appropriations/expenditures are at 88% of the approved budget. See attached Reconciliation Worksheet (**Attachment 8A**). Highlights are shown below:

FY2009-2010 YEAR-END HIGHLIGHTS	
REVENUE	<ul style="list-style-type: none"> • Decline in Proposition 10 tobacco tax revenue allocations (3%) • Decline in interest earnings on fund balance (55%) • New grant from David & Lucile Packard Foundation to support the New Parent Kit project \$200,000
EXPENDITURES	<ul style="list-style-type: none"> • Savings in Salaries & Benefits due to position vacancy in first half of fiscal year (15%) • Savings in General Operating Expenses-Services & Supplies (26%) • Cycle 1 investment underspends for the first contract year (11%) <i>(Note: grantees/consultants are allowed to carry- over underspends to the second and/or third year of their Cycle 1 Funding contract)</i>

2. 2-Year Recommended Budget for FY2010-2011 and FY2011-2012

The Strategic Plan and Long Term Financial Plan drive the development of the Commission's annual budget. The budget for FY2010-2011 and FY2011-2012 represent the second and third year of "Cycle 1" grant funding.

All revenue and operating expenses to support Commission activities have been thoroughly examined. Revenue continues to be greatly impacted by the decline of Proposition 10 monthly allocations. In addition, effective FY2010-2011, First 5 California (F5CA) will no longer provide matching funds to local

Attachment 8

County Commissions for most of the matching funds projects. For several years, First 5 San Mateo County received matching funds to support SaMCARES, School Readiness, Preschool for All and the Children’s Health Initiative. First 5 San Mateo County is committed to continue these program strategies or a variation of these strategies with local County Commission dollars. F5SMC will have an opportunity to apply for matching funding for the new SaMCARES project through F5CA. Staff will provide more details as information becomes available.

In light of the continuing decline in revenue and state economic crisis, staff made every effort possible to reduce operating expenses. Therefore, the recommended budget for FY2010-2011 shows a decrease in operating expenses of 1.4% compared to the approved budget for FY2009-2010. At the same time, staff is committed to maintain a solid administrative infrastructure and adequate level of resources to provide quality oversight of resources and investments.

Over the next two years, the Commission will utilize almost 50% of its fund balance to offset the gap between new revenue and community investments for young children and their families. The 2-Year Recommended Budget is attached (**Attachment 8B**) and highlights are shown below:

2-Year Recommended Budget: FY2010-2011 and FY2011-2012	
REVENUE	<ul style="list-style-type: none"> • Proposition 10 revenue expected to decline up to 8% • Matching funds no longer available from First 5 California
EXPENDITURES	<ul style="list-style-type: none"> • Most line items remain flat and/or reduced with no inflation costs assumed • Operating budget reduced by 1.4% compared to FY09-10 approved budget. • Cycle 1 grant funding - \$11.2 million in FY2010-2011 and \$12.2 million in FY2011-2012 • Fund balance continues to be spent down in accordance with the Commission’s Long Term Plan <p><u>Fund Balance Reduction by Fiscal Year</u></p> <ul style="list-style-type: none"> ➤ FY2010-2011 \$6.4 million ➤ FY2011-2012 \$7.9 million

RECOMMENDATION

The Finance and Administration Committee reviewed the Budget Closeout for FY2009-2010 and the 2-Year Recommended Budget for FY2010-2011 and FY2011-2012 and recommended approval.

1. Approve Budget Closeout for FY2009-2010.
2. Approve 2-Year Recommended Budget for FY2010-2011 and FY2011-2012.

FISCAL IMPACT

Approximately 50% of the Commission’s fund balance will be used to offset the gap between new revenue and investments in the System of Care for young children in San Mateo County.



FISCAL YEAR 2009-2010

YEAR END FINANCIAL REPORT

FIRST 5 SAN MATEO COUNTY FISCAL YEAR 2009-2010
YEAR END CLOSEOUT BUDGET RECONCILIATION REPORT (Q1 , Q2, Q3, Q4)

July 1, 2009 - June 30, 2010

19510 - Admin/Operations 19540 - Grants/Evaluation 19550 - School Readiness

	APPROVED BUDGET FY2009-2010	YEAR END ACTUALS (7/1/09 -6/30/10)	% of Budget Spent	Notes
REVENUE				
Prop. 10 Monthly Allocations	6,900,000	\$ 6,691,286	97%	
F5CA MATCHING GRANTS				
SRI - School Readiness Initiative	602,861	546,605	91%	F5CA award ended 6/30/10
SRI - Coordination Funds	100,000	120,420	120%	F5CA award ended 6/30/10
CARES - Recruitment and Retention Program	28,122	81,481	290%	F5CA award ended 12/31/2009. Includes reimbursement for Summer 2009 stipends.
OTHER				
New Parent Kit Grant, Grantee Reimbursements	-	209,282		New Parent Kit Award from David & Lucile Packard Foundation in the amount of \$200K; Grantee reimbursement in the amount of \$8,807.
SUB TOTAL REVENUE	\$ 7,630,983	\$ 7,649,074	100%	
Interest	719,103	\$ 326,850	45%	Year-End actuals low due to current interest rates.
TOTAL REVENUE	\$ 8,350,086	\$ 7,975,924	96%	
Fund Balance (Beginning)	32,355,917	32,355,917		
TOTAL SOURCES	\$ 40,706,003	\$ 40,331,841		

APPROPRIATIONS - ORG 19510 F5SMC ADMINISTRATION / PROGRAM / EVALUATION

Salaries & Benefits	1,250,000	\$ 1,062,284	85%	Year to date actuals low due to staff vacancy/absences.
Services & Supplies				
Outside Printing & Copy Svc	20,000	\$ 18,068	90%	
General Office Supplies	8,800	\$ 8,462	96%	
Books, Manuals, & Literature	300	\$ -	0%	
Subscriptions & Periodicals	300	\$ 273	91%	
Photocopy Lease & Usage	3,000	\$ 1,569	52%	
Postage & Mailing Expense	3,000	\$ 2,480	83%	
Other Office Expense	1,000	\$ 225	23%	
Computer Supplies	4,182	\$ 3,099	74%	

	APPROVED BUDGET FY2009-2010	YEAR END ACTUALS (7/1/09 -6/30/10)	% of Budget Spent	Notes
Software Lic/Maintenance	6,000	\$ 2,024	34%	
Office Furniture & Equipment	5,000	\$ 2,604	52%	
County Memberships - (e.g. F5 Assn Dues)	7,000	\$ -	0%	F5 Association dues will paid in FY10/11 for FY10/11 membership
Mileage Allowance	10,400	\$ 10,884	105%	
Airfare & Vehicle Rental	3,000	\$ 2,374	79%	
Employee Mileage Reimbursement	6,500	\$ 4,845	75%	
Meetings & Conference Expense	15,000	\$ 14,755	98%	
Commissioners Meetings & Conference Expense	6,000	\$ 2,440	41%	
Other Business Travel expense	1,000	\$ 260	26%	
Dept. Employee Training Expense	4,000	\$ 1,076	27%	
Train & Educ Materials/Supplies	3,000	\$ 836	28%	
Other Professional Services	40,000	\$ 20,953	52%	
Fingerprinting	200	\$ -	0%	
Other Special Dept Expense	10,000	\$ 6,143	61%	
Sub Total - Services & Supply	\$ 157,682	\$ 103,369	66%	
Other Charges				
Telephone Service Charges	7,000	\$ 7,318	105%	
Automation Services - ISD	75,000	\$ 53,708	72%	
County Leased Facil Rental Chg	97,000	\$ 95,617	99%	
Copy Center Charges	1,000	\$ -	0%	
General Liability Insurance	8,408	\$ 8,412	100%	
Official Bond Insurance	300	\$ 300	100%	
Human Resources Services	318	\$ 318	100%	
All Other Service Charges	74,000	\$ 29,106	39%	
A-87 Expense	53,170	\$ 53,170	100%	
Sub Total - Other Charges	\$ 316,196	\$ 247,949	78%	
Total	\$ 1,723,878	\$ 1,413,602	82%	
APPROPRIATIONS ORG 19540 - SYSTEM OF CARE INVESTMENTS				
Project Contributions	8,397,139	\$ 7,394,868	88%	
Systems Change	457,000	\$ 436,293	95%	

	APPROVED BUDGET FY2009-2010	YEAR END ACTUALS (7/1/09 -6/30/10)	% of Budget Spent	Notes
Capacity Building-Special Projects	100,000	\$ 54,180	54%	
TOTAL	\$ 8,954,139	\$ 7,885,341	88%	Underspend will carried over be used for years 2 and 3 of Cycle 1 funding.
APPROPRIATIONS ORG 19550 - SYSTEM OF CARE INVESTMENTS (SCHOOL READINESS INITIATIVE - SRI)				
Services & Supplies				
Project Contributions (4 SRI Sites)	602,861	546,605	91%	
Other Special Department Expenses - SRI Coordination/Oversight	100,000	\$ 120,420	120%	F5CA allowed a budget revision to use underspends from previous year.
TOTAL	\$ 702,861	\$ 667,025	95%	
TOTAL APPROPRIATIONS				
	\$ 11,380,878	\$ 9,965,968	88%	
FUND BALANCE				
Fund Balance (Ending)	\$ 29,325,125	\$ 30,365,873		
Amount Committed for Cycle 1 Executed Contracts (FY2010-FY2012)		\$ 21,435,240		
Amount Allocated for Cycle 2 Funding (FY2012-FY2015)		\$ 8,930,633		

FY2009-10 YEAR-END ANALYSIS SUMMARY

Period Ending 6/30/10

Budget Unit Description (19500 - rollup of all orgs)

FIRST 5 SAN MATEO COUNTY

Percent of FY Elapsed: 100%

Fiscal Year Period: July 1, 2009 - June 30, 2010

	FY 08-09 Year-End Actuals	FY 09-10 Approved Budget	FY 09-10 Year End Actuals	FY 09-10 % of Budget Realized/Spent
<u>REVENUE:</u>				
Interest Earned	\$ (1,053,246)	\$ 719,103	\$ 326,850	45%
Tobacco Tax - Prop. 10 (Monthly Allocations)	\$ 7,423,693	\$ 6,900,000	\$ 6,691,286	97%
Tobacco Tax - Prop. 10 (F5CA Matching Grants)	\$ 1,052,084	\$ 730,983	\$ 748,506	102%
Miscellaneous Revenue (Includes: NPK Packard Grant and Grantee Reimbursements)	\$ 315,657		\$ 209,282	
TOTAL REVENUE	\$ 7,738,188	\$ 8,350,086	\$ 7,975,924	96%
BEGINNING FUND BALANCE	\$ 35,845,204	\$ 32,355,917	\$ 32,355,917	
TOTAL AVAILABLE FUNDS	\$ 43,583,392	\$ 40,706,003	\$ 40,331,841	
<u>EXPENDITURES:</u>				
Salaries and Benefits	\$ 1,027,743	\$ 1,250,000	\$ 1,062,284	85%
Services and Supplies	\$ 666,844	\$ 473,878	\$ 351,318	74%
System of Care Investments (Includes project contributions, special program services; and SRI Sites)	\$ 9,532,888	\$ 9,657,000	\$ 8,552,366	89%
NET APPROPRIATIONS	\$ 11,227,475	\$ 11,380,878	\$ 9,965,968	88%
<u>FUND BALANCE:</u>				
ENDING FUND BALANCE	\$ 32,355,917	\$ 29,325,125	\$ 30,365,873	
Amount Committed for Cycle 1 Executed Contracts (FY2010-FY2012)			\$ 21,435,240	
Amount Allocated for Cycle 2 System of Care Funding (FY2012-FY2015)			\$ 8,930,633	

FYTD Expenditures Summary:

Administration:	\$ 1,159,878	12%
Program:	\$ 8,293,785	83%
Evaluation	\$ 512,305	5%
Total Expenditures FYTD	\$ 9,965,968	



2-YEAR RECOMMENDED BUDGET

FOR

FISCAL YEARS

2010-2011

AND

2011-2012

2 YEAR RECOMMENDED BUDGET FOR FISCAL YEARS 2010-2011 & 2011-2012
(Detail Report of All Revenue and Expenditures)

July 1, 2010 - June 30, 2012

Prepared July 31, 2010

19510 - Admin/Prog Eval 19540 - Grants 19550 - School Readiness

	APPROVED BUDGET FY2009/2010	YEAR-END ACTUALS FY2009-2010		RECOMMENDED BUDGET FY2010-2011	Notes (FY2010-2011)	RECOMMENDED BUDGET FY2011-2012	Notes (FY2011-2012)
REVENUE							
Prop. 10 Monthly Allocations	\$ 6,900,000	\$ 6,691,286		\$ 6,200,000	Includes reduction for new tax for SCHIP adjustment	\$ 5,800,000	Includes reduction for new tax for SCHIP adjustment
F5CA MATCHING GRANTS							
SRI - School Readiness Initiative	\$ 602,861	\$ 546,605		\$ -	F5CA award ends 6/30/10	\$ -	
SRI - Coordination Funds	\$ 100,000	\$ 120,420		\$ -	F5CA award ends 6/30/10	\$ -	
CARES - Recruitment and Retention Program	\$ 28,122	\$ 81,481		\$ -	F5CA award ends 12/31/09	\$ -	
OTHER							
Grantee Reimbursements, Project Grants	\$ -	\$ 209,282		\$ -		\$ -	
SUB TOTAL REVENUE	\$ 7,630,983	\$ 7,649,074		\$ 6,200,000		\$ 5,800,000	
Interest	\$ 719,103	\$ 326,850		\$ 283,000		\$ 228,000	
TOTAL REVENUE	\$ 8,350,086	\$ 7,975,924		\$ 6,483,000		\$ 6,028,000	
Fund Balance (Beginning)	\$ 32,355,917	\$ 32,355,917		\$ 30,365,873		\$ 23,987,691	
TOTAL SOURCES	\$ 40,706,003	\$ 40,331,841		\$ 36,848,873		\$ 30,015,691	

APPROPRIATIONS - ORG 19510 F5SMC ADMINISTRATION / PROGRAM / EVALUATION							
Salaries & Benefits	\$ 1,250,000	\$ 1,062,284		\$ 1,250,000		\$ 1,250,000	
Services & Supplies							
Outside Printing & Copy Svc	\$ 20,000	\$ 18,068		\$ 15,000		\$ 15,000	
General Office Supplies	\$ 8,800	\$ 8,462		\$ 8,800		\$ 8,800	

	APPROVED BUDGET FY2009/2010	YEAR-END PROJECTIONS FY2009-2010	RECOMMENDED BUDGET FY2010-2011	Notes (FY2010-2011)	RECOMMENDED BUDGET FY2011-2012	Notes (FY2011-2012)
Books, Manuals, & Literature	\$ 300	\$ -	\$ 300		\$ 300	
Subscriptions & Periodicals	\$ 300	\$ 273	\$ 300		\$ 300	
Photocopy Lease & Usage	\$ 3,000	\$ 1,569	\$ 3,000		\$ 3,000	
Postage & Mailing Expense	\$ 3,000	\$ 2,480	\$ 3,000		\$ 3,000	
Other Office Expense	\$ 1,000	\$ 225	\$ 1,000		\$ 1,000	
Computer Supplies	\$ 4,182	\$ 3,099	\$ 4,000		\$ 4,000	
Software Lic/Maintenance	\$ 6,000	\$ 2,024	\$ 6,000		\$ 6,000	
Office Furniture & Equipment	\$ 5,000	\$ 2,604	\$ 5,000		\$ 5,000	
County Memberships - (e.g. F5 Assn Dues)	\$ 7,000	\$ -	\$ 9,000		\$ 9,000	
Mileage Allowance	\$ 10,400	\$ 10,884	\$ 10,400		\$ 10,400	
Airfare & Vehicle Rental	\$ 3,000	\$ 2,374	\$ 3,000		\$ 3,000	
Employee Mileage Reimbursement	\$ 6,500	\$ 4,845	\$ 6,000		\$ 6,000	
Meetings & Conference Expense	\$ 15,000	\$ 14,755	\$ 15,000		\$ 15,000	
Commissioners Meetings & Conference Expense	\$ 6,000	\$ 2,440	\$ 5,000		\$ 5,000	Includes expenses for Commissioner Retreats & Commissioners attendance at F5 statewide mtgs/conferences
Other Business Travel Expense	\$ 1,000	\$ 260	\$ 1,000		\$ 1,000	
Training/Educ-Professional Dev for Staff	\$ 4,000	\$ 1,076	\$ 4,000		\$ 4,000	
Train & Educ Materials/Supply	\$ 3,000	\$ 836	\$ 3,000		\$ 3,000	
Other Professional Contract Svcs	40,000	\$ 20,953	\$ 35,000		\$ 35,000	
Fingerprinting & Criminology	\$ 200	\$ -	\$ 200		\$ 200	
Other Special Dept Expense	\$ 10,000	\$ 6,143	\$ 10,000		\$ 10,000	
Sub Total - Services & Supply	\$ 157,682	\$ 103,370	\$ 148,000		\$ 148,000	
Other Charges:						
Telephone Service Charges	\$ 7,000	\$ 7,318	\$ 8,000		\$ 8,000	

Automation Services-ISD	\$ 75,000	\$ 53,708		\$ 45,000	All Computers replaced FY09/10	\$ 45,000	
-------------------------	-----------	-----------	--	-----------	-----------------------------------	-----------	--

	APPROVED BUDGET FY2009/2010	YEAR-END PROJECTIONS FY2009-2010		RECOMMENDED BUDGET FY2010-2011	Notes (FY2010-2011)	RECOMMENDED BUDGET FY2011-2012	Notes (FY2011-2012)
County Leased Facility Rental Chg	\$ 97,000	\$ 95,617		\$ 101,209		\$ 104,247	
Copy Center Charges	\$ 1,000	\$ -		\$ 1,000		\$ 1,000	
General Liability Insurance	\$ 8,408	\$ 8,412		\$ 8,500		\$ 8,500	
Official Bond Insurance	\$ 300	\$ 300		\$ 300		\$ 300	
Human Resources Services (LMS Cost)	\$ 318	\$ 318		\$ 334		\$ 334	
All Other Service Charges	\$ 74,000	\$ 29,106		\$ 76,220		\$ 78,507	
A-87 Expense	\$ 53,170	\$ 53,170		\$ 61,619		\$ 63,468	
Sub Total - Other Charges	\$ 316,196	\$ 247,949		\$ 302,182		\$ 309,356	
TOTAL	\$ 1,723,878	\$ 1,413,602		\$ 1,700,182		\$ 1,707,356	

	APPROVED BUDGET FY2009/2010	YEAR-END ACTUALS FY2009-2010		RECOMMENDED BUDGET FY2010-2011	Notes (FY2010-2011)	RECOMMENDED BUDGET FY2011-2012	Notes (FY2010-2011)
APPROPRIATIONS ORG 19540 - SYSTEM OF CARE INVESTMENTS							
Project Contributions	\$ 8,397,139	\$ 7,394,868		\$ 10,400,000		\$ 11,539,107	
Systems Change	\$ 457,000	\$ 436,293		\$ 461,000		\$ 501,707	
Capacity Building-Special Projects	\$ 100,000	\$ 54,180		\$ 300,000		\$ 145,820	
TOTAL	\$ 8,954,139	\$ 7,885,341		\$ 11,161,000		\$ 12,186,634	
APPROPRIATIONS ORG 19550 - SYSTEM OF CARE INVESTMENTS (SCHOOL READINESS INITIATIVE - SRI)							
Services & Supplies:							
Project Contributions (4 SRI Sites)	\$ 602,861	\$ 546,605			School Readiness Initiative will continue through the Bridges to Success project		
Other Special Department Expenses - SRI Coordination/Oversight	\$ 100,000	\$ 120,420					
TOTAL	\$ 702,861	\$ 667,025		\$ -		\$ -	
TOTAL APPROPRIATIONS	\$ 11,380,878	\$ 9,965,968		\$ 12,861,182		\$ 13,893,990	
Fund Balance (Ending)	\$ 29,325,125	\$ 30,365,873		\$ 23,987,691		\$ 16,121,701	

FIRST 5 SAN MATEO COUNTY
2 YEAR RECOMMENDED BUDGET SUMMARY
Budget Unit Description (19500 - rollup of all orgs)
Fiscal Year Period: July 1, 2010 - June 30, 2012
Date Prepared: July 31, 2010

	FY 09-10 Approved Budget	FY 09-10 Year-End Actuals	FY 10-11 Recommended Budget	FY 11-12 Recommended Budget
REVENUE:				
Interest Earned	\$ 719,103	\$ 326,850	\$ 283,000	\$ 228,000
Tobacco Tax - Prop. 10 (Monthly Allocations)	\$ 6,900,000	\$ 6,691,286	\$ 6,200,000	\$ 5,800,000
Tobacco Tax - Prop. 10 (F5CA Matching Grants)	\$ 730,983	\$ 748,506	\$ -	\$ -
Miscellaneous Revenue (Includes: PFA Earmark and Grantee Reimbursements)	\$ -	\$ 209,282	\$ -	\$ -
TOTAL REVENUE	\$ 8,350,086	\$ 7,975,924	\$ 6,483,000	\$ 6,028,000
BEGINNING FUND BALANCE	\$ 32,355,917	\$ 32,355,917	\$ 30,365,872	\$ 23,987,690
TOTAL AVAILABLE FUNDS	\$ 40,706,003	\$ 40,331,841	\$ 36,848,872	\$ 30,015,690
EXPENDITURES:				
Salaries and Benefits	\$ 1,250,000	\$ 1,062,284	\$ 1,250,000	\$ 1,250,000
Services and Supplies	\$ 473,878	\$ 351,319	\$ 450,182	\$ 457,356
Other Charges (Includes System of Care project contributions, special program services, SRI Sites, and evaluation)	\$ 9,657,000	\$ 8,552,366	\$ 11,161,000	\$ 12,186,634
NET APPROPRIATIONS	\$ 11,380,878	\$ 9,965,969	\$ 12,861,182	\$ 13,893,990
ENDING FUND BALANCE	\$ 29,325,125	\$ 30,365,872	\$ 23,987,690	\$ 16,121,700

Date: August 23, 2010
To: First 5 San Mateo County Commission
From: Debby Armstrong, Executive Director
Re: Approval of Repayable Loans for Childcare Providers

DECISION REQUESTED

Earmark up to \$2 million for a Short-Term Repayable Loan Program to assist up to seven state-subsidized early care and education organizations providing subsidized child care services to children birth to age 5 that may be impacted by the State budgeting process.

BACKGROUND

In recent years the passage of the state budget has been delayed for periods of a few weeks to a few months. With a sizeable projected state government budget gap and the added challenge of an election year, the budget may be delayed even longer than usual.

The added crisis for our State funded early childhood education providers is that in the Governor's May Budget Revise, he proposed the elimination of CalWorks and other State funded child care programs. Both the Senate and Assembly budget committees rejected the Governor's proposal to cut child care in addition to many other cuts to education and health and human services programs.

In San Mateo County, there are 23 local organizations that hold State child development contracts to provide subsidized child care and preschool services to approximately 2,800 children birth to age 5. A majority of these organizations are associated with school districts, the County Office of Education (COE) or cities and are able to receive some financial support during the budget impasse.

There are, however, seven nonprofit child care organizations providing subsidized child care and preschool services to approximately 800 children birth to age 5 (30% of the 2,800 total subsidized slots) holding State contracts that are not affiliated with school districts, the COE or cities. These seven organizations rely heavily on the revenue received from the State which supports more than 75% of their annual operating expenses (i.e. personnel and general day-to-day operations). These seven organizations are at extreme risk of eliminating their subsidized child care services, terminating staff and potentially closing business. If the budget delay continues, these seven nonprofit child care organizations estimate that they would need approximately \$2 million dollars to maintain services for young children birth to age 5 through December 31, 2010. This amount is an estimate and would need to be verified through the loan application process. **(See Attachment 9.1)**

After careful review of the F5SMC Strategic Plan, Financial Plan, FY2010-2011 Operating Budget and Supplantation Policy, F5SMC staff believes that a short-term repayable loan program is within the Commission's Core Values and Guiding Principles to support young children and their families. The loans are not replacing a funding stream. They are solving a cash flow crisis that, although temporary, could have lasting or permanent consequences for

children and families of San Mateo County. Funds to support a one-time repayable loan program are available using Cycle 1 funding.

One-Time, Short-Term Repayable Loan Program:

F5SMC Staff discussed this issue with the Finance & Administration Committee at their August 9th meeting and was directed to continue researching options to develop a “Bridge Loan Program” and present it to the full commission for consideration. The F5SMC Commission had considered a Bridge Loan Program two years ago (September 2008); however the day of the September 2008 Commission meeting, the community learned that the state budget was approved and this program was no longer needed.

F5SMC staff recognizes that providing a repayable loan program involves risk to the Commission and has considered as many precautions as possible which have led to the following:

- Gaining the assistance of the Child Care Partnership Council (Coordinator, Nirmala Dillman) to gather essential data about all ECE Child Care Agencies in San Mateo County to assess the need for financial assistance for the seven organizations noted;
- Solidifying the repayable loan program eligibility criteria and the loan application process;
- Establishing a time frame of the program to be effective only September through December 2010; however if the State budget is approved during this timeframe the program would terminate immediately. Once the State budget was approved, the Program would terminate and no additional funding would be released;
- Establishing a fair and equitable formula to determine the amount of the repayable loan available for each child care provider. This amount would be based on the current contract between the California Department of Education (CDE) and the child care provider and would be in the amount of 90% of the CDE contract amount;
- Establishing a repayment structure that states that once the State budget has been passed, the child care providers would be required to make repayment on their loans within 7 business days upon receipt of state funds and these loans would be repaid prior to any other organizational obligation; and
- Administration of the repayable loan program would be managed by a 3rd party which has strong experience and leadership in administering loans, follows good loan principles, and has the capacity to move swiftly on implementing the program. As a result, staff has been in discussion with two organizations, the Low Income Investment Fund (LIIF) and Silicon Valley Community Foundation (SVCF) to administer a one-time, short-term repayable loan program (**See Attachment 9.2**).

The Low Income Investment Fund (LIIF) in San Francisco has a history of administering facility grants and loans and has established a partnership with First 5 San Francisco and First 5 Alameda Counties to administer some of their Quality Improvement Initiatives over the past several years. In addition, LIIF is currently administering Bridge Loans for ECE providers with funding through First 5 San Francisco and Alameda Counties. LIIF’s experience with bridge loans and its work with local First 5 County Commissions makes it a viable agency to consider for administering San Mateo County’s Bridge Loan Program.

Silicon Valley Community Foundation (SVCF) was approached on two fronts: first, to consider matching a portion of F5SMC funds to assist with the Bridge Loan program and secondly to

administer the short-term repayable loan program locally. SVCF has an extensive history of community leadership and philanthropic experience. It focuses on professional investment and management of the funds that are entrusted to it. Its leadership is rooted in social equality and collaborative relationships, especially with nonprofit groups. SVCF's experience, leadership and strong presence in the community makes them a viable agency to partner with to administer San Mateo County's Bridge Loan Program.

A copy of the draft scope of work for the agency selected to administer the One-Time Short-Term Repayable Loan Program is attached. The scope of work includes a detailed program design that incorporates every measure to minimize potential risk to First 5 San Mateo County **(See Attachment 9.3)**

Staff recommends earmarking up to \$2 million for a One-Time, Short-Term Repayable Loan Program to be administered by a 3rd party, either the Low Income Investment Fund or Silicon Valley Community Foundation, if the State budget is not passed by September 1, 2010.

FISCAL ISSUES TO CONSIDER

- If the State does not pass the FY 10-11 budget or cuts funding for early childhood education, First 5 San Mateo County may lose a portion of the amount of the short-term repayable loans extended to the child care provider organizations;
- F5SMC's FY2010-11 operating budget would show an expense of \$2 million, including the administration fees, as part of Cycle 1 investments;
- Interest earnings on the \$2 million would not be realized; and
- There is the possibility that the fees for administration of this program may be reimbursable by the State. F5SMC staff continues to explore how these fees may be recouped.

NEXT STEPS:

If funding is earmarked for a One-Time, Short-Term Repayable Loan Program, F5SMC Staff recommends holding a special Commission meeting in early September 2010 to approve a contract with the organization selected to administer the Program.

RECOMMENDATION

Earmark up to \$2 million through December 31, 2010 for a Short-Term Loan Program to assist specific state-subsidized early care and education organizations providing subsidized services to children birth to age 5.

Children, Families and Staff Jobs Put At Risk if Budget Stalemate lasts through December 31, 2010

Prepared by: Child Care Partnership Council - August 23, 2010

Attachment 9.1

Non-profit Organizations Holding State Child Development Contracts Most At Risk	Area of County Served	Children under 5 at Risk	Staff at Risk	Cash Flow Crisis Point	Anticipated need to remain open until 9/30/10	Additional Amount needed to remain open until 10/31/10	Additional Amount needed to remain open until 11/30/10	Additional Amount needed to remain open until 12/31/10	Total Anticipated Amount Needed through 12/31/10
Bayshore Child Care Services	North	246	48	8/31/2010	\$226,000	\$104,000	\$104,000	\$104,000	\$538,000
Creative Montessori	South	185	38	8/1/2010	\$120,000	\$80,000	\$80,000	\$80,000	\$360,000
Coastside Child Development Center	Coast	18	13	8/15/2010	\$30,000	\$34,000	\$34,000	\$34,000	\$132,000
Norma Gist Intercommunal Survival	Central	24	3	8/1/2010	\$54,000	\$18,000	\$18,000	\$18,000	\$108,000
Family Service Agency	All	207	85	11/30/2010	\$0	\$0	\$0	\$203,000	\$203,000
Redwood City Child Development Center	South	85	17	9/16/2010	\$52,000	\$52,000	\$52,000	\$52,000	\$208,000
Child Care Coordinating Council	All			9/30/2010	\$0	\$157,200	\$186,000	\$186,000	\$529,200
Totals		765	204		\$482,000	\$445,200	\$474,000	\$677,000	\$2,078,200

Note: This information is an estimate and does not guarantee loans to any organization listed.

Low Income Investment Fund

LIIF improves and strengthens underserved communities by providing loans, grants and technical assistance to community development organizations. LIIF provides capital and technical assistance for housing, education, child care and supportive community facilities.

Investments and Impacts

Over its 25-year history, LIIF has provided over **\$900 million** in financing and technical assistance for projects benefiting low income communities in 26 states, leveraging additional investments of **\$5.4 billion**. LIIF has served more than **860,000 people**, resulting in **\$17 billion** of societal and income benefit.

LIIF's work has developed or enhanced:

- **55,000** units of housing;
- **150,000** child care spaces;
- **50,000** spaces in schools for children; and
- **3.2 million** square feet of commercial and community facilities space.

Programs and Services

In 1998, the Low Income Investment Fund (LIIF) launched its first child care program, the Child Care Facilities Fund (CCFF), as part of its strategy to advance pathways of opportunity for low income people and communities. CCFF is an award-winning, public-private collaboration that uses flexible capital, one-on-one technical assistance, and group trainings to expand and improve both center- and family-based child care facilities in San Francisco. The Low Income Investment Fund in San Francisco has a history of administering facility grants and loans and has established a partnership with **First 5 San Francisco**.

In 2005, CCFF expanded to also serve Alameda County with quality improvement and facility grant programs. The Quality Improvement Grant Program is intended to support child care programs that are participants in the **Every Child Counts First 5 Alameda County** Quality Improvement Initiative program. The Grant Program awards funds for child development materials and equipment, minor facility improvements or repairs, and other quality improvement projects designed to address areas identified in the child care program's Quality Improvement Plan.

The Facility Grant Program provides planning, pre-development, construction, etc. for the start-up of a new center-based child care program expansion or maintenance of an existing program, or preservation of a program that is at risk of losing existing slots. This grant supports non-profit programs that focus their services in at least two or more of the following areas: infant care, special needs or low income populations.

CCFF provides innovative ways to create, enhance and preserve quality child care spaces by offering child care providers timely and affordable financing through grants and loans and has become a national model in response to the shortage of affordable child care.

In addition, LIIF is currently administering Bridge Loans for ECE providers with funding through both First 5 San Francisco and Alameda County.

LIIF programmatic partners include: California Head Start Association, Child Action, Inc. (Sacramento), Evelyn and Walter Haas Fund, Jr. , First 5 Association of California, First 5 Riverside, Kern County Superintendent of Schools, Merced County Office of Education, Preschool California, and the Children and Families Commission of Santa Barbara. For additional information on LIIF go to <http://www.liifund.org/>.

Silicon Valley Community Foundation

SVCF is committed to strengthening and serving the nonprofit community, partnering with more than 60 local nonprofits to manage their assets and reserves. SVCF identifies emerging challenges and addresses those challenges through grant-making programs, research and the ability to bring together diverse groups of problem-solvers. SVCF provides a full range of services, from investment management, technical assistance, fiscal management and accounting, and conducting due diligence for nonprofits and grant-making program consultations.

Investments and Impacts:

SVCF is ranked 14 among the nation's largest foundation in total giving and is ranked 5th among the largest Bay Area foundation by asset size with a 0.75% ratio of administrative costs to total assets.

As of 2009 SVCF managed **\$1.7 billion in assets**; awarded **\$250 million** in grants through the community foundation; **\$16 million** in grants awarded by 40 SVCF corporate advised funds; and 9,293 grants awarded. The average number of grants processed each week in December 2009 was 516. SVCF's total return on endowment investments is 27.6%.

As of 2010 SVCF's total assets are \$1.7 billion; amount of annual grantmaking is \$264 million and charitable funds is 1,500+. (Estimate based on combined past totals)

Programs and Services for Safety Net Grantees

The following are a sampling of 2010 Safety Net Grantees:

Bay Area Legal Aid (Bay Area Legal): \$10,000

Support for Bay Area Legal's San Mateo County Domestic Violence Restraining Order Clinic, which ensures safety, shelter and economic sustenance for victims of domestic violence and their children.

CORA (Community Overcoming Relationship Abuse): \$25,000

Support for CORA's Emergency Shelter for victims of domestic violence and their children.

El Concilio of San Mateo County: \$25,000

Support to address the increasing number of individuals and families seeking emergency food provisions, shelter and economic assistance.

Fair Oaks Community Center/City of Redwood City: \$20,000

Support to sustain staffing of Fair Oaks Community Center's Information and Referral Program, which provides safety net services for Redwood City and North Fair Oaks.

Fresh Approach: \$15,000

Support to help low-income families reduce food insecurity and increase their access to and consumption of fresh, healthy food, including food at area farmers' markets.

HOME & HOPE (formerly Interfaith Hospitality Network, IHN): \$15,000

Support for the Interfaith Sheltering Program, which assists homeless families by providing temporary shelter, daily meals, case management and housing placement assistance.

North Peninsula Neighborhood Services Center, Inc.: \$25,000

Support for safety net efforts to help people with emergency food, monthly groceries, short-term shelter, housing and access to community services.

Pacifica Resource Center: \$20,000

Support to continue safety net services for low-income families and individuals.

Shelter Network of San Mateo County: \$50,000

General operating support to provide housing and comprehensive supportive services to homeless families and individuals.

Youth and Family Enrichment Services: \$20,000

To provide transitional housing, emergency overnight, crisis care and case management services for 150 runaway, homeless and foster youth from 10 – 24 years old.

The community foundation works with a number of partners who are making an impact locally and globally. Their affiliate fund partners enable residents in Gilroy, Los Altos, Morgan Hill, Palo Alto, Saratoga-Monte Sereno and San Benito County to realize their philanthropy within the context of the affiliate representing their community. However, affiliate funds are not just limited to geographic locations. The Hispanic Foundation Silicon Valley cultivates philanthropy throughout the region's Hispanic community.

SVCF also partners with a number of supporting foundations, each with its own unique philanthropic goals and approach. With a supporting foundation, donations still receive the maximum level of tax deductions (as with a donor advised fund), but the supporting foundation has its own board of directors, investment policies and 501c3 charity status. Some of their supporting foundation partners include Portola Group Foundation, the Real Estate Trust at Silicon Valley Community Foundation, Skoll Community Fund and Sobrato Foundation.

Additionally, the community foundation maintains a strategic partnership with the Entrepreneurs Foundation. They maintain their own nonprofit status, staff and board members like their supporting foundation partners and The Hispanic Foundation.

The Peninsula Partnership for Children, Youth and Families is a collaborative organization that connects families, schools and communities through a series of programs designed to jumpstart children's success in school and in life. The Partnership is leading San Mateo County's school readiness initiative, called Learning Together. Learning Together is **funded by First 5 San Mateo County** and provides home visiting and parent education services to families with young children in East Palo Alto, East Menlo Park, Redwood City and San Mateo. Through the program, parents have shown statistically significant gains in positive parenting behaviors.



**DRAFT SCOPE OF WORK FOR
AGENCY ADMINISTERING SHORT TERM REPAYABLE LOAN PROGRAM**

I. Introduction

Pursuant to the Agreement for services between XXXX effective **September 1, 2010**, Contractor shall provide the services as described in this Exhibit A over the term of this Agreement from **September 1, 2010 to March 31, 2011 or until all bridge loan funds are repaid, whichever is later.**

II. Supplantation

Funds provided pursuant to this contract are provided pursuant to Proposition 10 and are intended to supplement, expand upon, and enhance activities funded from existing sources. Contractor shall not use funds under this contract to supplant existing resources or services.

III. Description of Program Description and Performance Requirements

1. Background and Program Description

Quality early care and education is critical to enhance the health and development of young children. Due to delays in the passage of the California state budget, child care programs funded by the state are at risk of closure due to lack of payments from the state. At their Commission meeting on **(INSERT DATE)**, First 5 San Mateo County authorized assistance to eligible state-funded early care and education providers in the form of a repayable loan program.

The **XXXX** has expertise in the administration of such programs and has been selected by the Commission as the Contractor to administer the

program.

2. Performance Requirements

The duties of the Contractor are as follows:

1. Identify and verify the state-funded child care programs eligible for a repayable loan.
2. Send loan applications to identified potential applicants.
3. Ensure that all potential applicants meet the following eligibility requirements:
 - a. Good standing with Community Care Licensing and California Department of Education/Child Development Division
 - b. Verification of state-funding including total contract amount and monthly payments as evidenced by state documents
 - c. Verification of 501(c)3 certification, private non-profit status.
 - d. Verification of a current contract with CDE for FY2010-2011, including total contract amount and payment schedule as evidenced by copies of the provider's state contract documents
 - e. Verification of the child care provider's FY2010-2011 operating budget, which reflects that at least 75% of their revenues are provided by State contracts
 - f. Documentation indicating the long-term stability of the child care provider
 - g. Documentation indicating that the child care provider has exhausted their reserves and other options for loans
 - h. Date the child care provider would no longer be able to meet payroll and operating expenses
 - i. Agreement that the loan would cover services provided only to children birth to age 5.
4. Conduct simultaneous comprehensive application process for repayable loans to state-funded child care programs, including:
 - a. Assessment of the child care provider's level of reserve, and any restrictions on using the reserve for continued operation of business
 - b. Assessing applicant's audited financial statements and determining that applicant's operation is economically viable and has the ability

to repay the loan

- c. Verifying that the applicant serves children age 0-5 and that the repayable loan would be used exclusively for services for children age 0-5
 - d. Verifying that the signatory of the application is authorized to apply for a repayable loan, and requiring that the signatory certify that all information provided is accurate
 - e. Assessing the amount of the repayable loan based on the current contract between the California Department of Education (CDE) and the child care provider. The repayable loan would be in the amount of 90% of the CDE contracted monthly amount to allow for the possibility of a reduction in the contract amount for up to 10%
 - f. Obtaining an enforceable agreement that repayment will be made immediately within 7 business days upon receipt of state funds and will be repaid prior to any other organizational obligation
 - g. Verifying that applicant has current insurance, including workers compensation and general liability
5. Compile funding recommendations for review and approval by First 5 San Mateo County Executive Director.
 6. Disburse funding to eligible applicants approved by the First 5 San Mateo County Executive Director.
 7. Provide First 5 San Mateo County Executive Director periodic reports when loan funds are issued and balance of funds remaining.
 8. Provide a final report that includes details of all funds distributed to the child care providers and repaid, including copies of applications, copies of checks to grantees and copies of repayment checks to Contractor.
 9. Monitor and facilitate the repayment process, including
 - a. monitor the state budget situation and release of state funds
 - b. notify agencies of repayment requirement and collect funds
 10. Contractor will perform due diligence in retrieval of funds on behalf of First 5 San Mateo County, including contacting agencies by phone and written correspondence.
 11. Contractor will not be responsible for any non-repayment by child care provider agencies.
 12. The total repayable grant pool, including administration costs, is not to exceed TWO MILLION DOLLARS (\$2,000,000).

13. The **XXXX** administration fee is not to exceed **XXXX** for the term of this agreement.