



COMMITTEE ROUTING	
Administrative/Finance	<input checked="" type="checkbox"/>
Operations	<input type="checkbox"/>
Executive	<input type="checkbox"/>

### ACTION AGENDA SUMMARY

AGENDA DATE: May 24, 2022

COMMISSION AGENDA #: 7.A. (PUBLIC HEARING)

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#### SUBJECT:

Public Hearing to Consider Adoption of the Fiscal Year 2022-2023 Budget, Long Range Financial Plan, and Related Actions

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#### BACKGROUND:

The Stanislaus County Children and Families Commission (First 5 Stanislaus) is an agency of County government. The Commission governs First 5 and has independent authority for the strategic plan, the local trust fund which holds First 5 funding, and to approve and amend the budget. The Fiscal Year 2022-2023 Budget is an estimated operating plan for the funds received by First 5 Stanislaus. The First 5 Stanislaus budget is referenced in the County budget book but is not included as part of the budget itself. Revenue for First 5 Stanislaus primarily comes from State taxes on tobacco and other smaller funding sources. This revenue is held in an independent account with the County's Treasurer Tax Collector. The First 5 Stanislaus Budget appears as a discrete component when included in the Stanislaus County Comprehensive Annual Financial Report.

The Fiscal Year 2022-2023 Budget recommended to the Commission reflects the priorities and strategies of the Commission as finalized through the Strategic Plan for 2019-2024. First 5 staff and its partner organizations continue to move forward with initiation, development and integration of the Strategic Plan strategies. Funding in the Fiscal Year 2022-2023 Budget would allow continued development of those priorities and supports Commission strategies to:

- Align and secure funding
- Establish a comprehensive parenting program
- Establish a resource/referral hub/network
- Build capacity for individuals/organizations serving young children
- Scale integrated early childhood reading access, strategies and support
- Serve as an advocate/voice for children and families
- Coordinate data alignment and outcome monitoring among organizations serving children
- Facilitate systems improvement to better serve children and families
- Implement administrative and fiscal strategies

Some important elements and assumptions of the Fiscal Year 2022-2023 Budget and Long Range Financial Plan include:

- Total budgeted revenues are projected at \$4,889,307, which is an estimated decrease of 1% (\$46,441) from the 2021-2022 budget. Staff used the most current State Prop 10 revenue projections of \$4,721,807 from May 2021 as the basis for the revenue budget. Projected revenue for interest income of \$67,500 was used as well as \$100,000 from a funding commitment from Sunlight Giving. Fund balance is projected to end at approximately \$11.7 million.
- Total budgeted expenses are projected at \$4,584,280 which is an estimated decrease of 6% (\$311,346) from the 2021-2022 budget. For the 2022-2023 budget, a \$500,000 Contract Adjustments/Contingency account has been established. No funds will be spent from the Contract Adjustments/Contingency account without the approval of the Commission. Total administrative costs are projected to be below the 15% maximum

established by the Commission. Future Commission spending as presented in the Long Range Financial Plan will continue to reflect a focus on alignment of investment with the Strategic Plan.

- Staffing levels remain the same in the 2022-2023 budget with five positions (four full-time and one part-time). The scope and function of staff positions will be evaluated during Fiscal Year 2022-2023 for appropriateness in supporting operations and implementation of the Strategic Plan.
- Total Fiscal Year 2022-2023 service provider contracts are budgeted at \$2,547,813, which is a decrease of 10% (\$295,585) from the 2021-2022 budget. This decrease reflects a slightly lower investment in the Healthy Start contract as a result in the reduction in Healthy Start sites from ten to eight. The primary factor for the decrease was the reduction in funding for grant projects.
- \$11,040 is included in the budget for Hudson Henderson & Company, Inc., to perform the annual outside audit. This will be for audit of Fiscal Year 2021-2022. The Commission took action at their February 22, 2022, meeting to approve a three-year contract with Hudson Henderson & Company, Inc. and no additional action is needed on this contract by the Commission.
- The Commission took action at their April 26, 2022, meeting to approve four one-year Agreements for partner organizations for Fiscal Year 2022-2023 which were United Way of Stanislaus (211), Sierra Vista Child & Family Services (The Bridge), Stanislaus County of Education (Healthy Starts) and Stanislaus Multi-Cultural Health Coalition/West Modesto King Kennedy Neighborhood Collaborative (PlanetBaby! site). These four contracts totaling \$667,818 appear in the 2022-2023 budget, and no additional action is needed on those contracts by the Commission.
- The seven DR FRC agreements totaling \$1,499,995 are being presented to the Commission for approval as part of the 2022-2023 budget. Individual contracts approved by the Commission are estimates and are not to exceed the approved funding amounts as shown in Exhibit A for the First 5 share. Total contract award amounts are not to exceed the maximum value as shown in Exhibit A which consists of the First 5 and Community Services Agency (CSA) funding combined. These are three-party agreements between CSA, First 5 Stanislaus, and the contractor. Contractors were selected through a request for proposal process for Differential Response Family Resource Centers. The agencies identified in Exhibit A were the successful proposers in the specified geographical areas under Request for Proposal (RFP) #20-38-SD. The seven identified contracts will correspond to seven service regions which cover Stanislaus County. Work performed by contractors will be in accordance with a specific scope of services for First 5 and CSA which resulted from an extensive joint planning process between the organizations. The funding and the scope of work has been coordinated for maximum community impact and for First 5 services to align with its Strategic Plan.

The DR FRC contractors are shown in detail in Exhibit A. Commissioners will only be voting on the First 5 share of funding that is recommended for Fiscal Year 2022-2023. Total First 5 funding for these contractors for Fiscal Year 2022-2023 would not exceed \$1,499,995. These contracts were previously approved for a one-year period of funding as part of the Commission's Fiscal Year 2021-2022 budget and are now being considered for their second one-year period of time with the option to renew for an additional year three. The intention of the agreements is to be for three-years, using the renewal option, barring any issues that might arise. If the option to renew is executed for these agreements, the renewal costs for year three would be identical to the contract rates as shown in Exhibit A, with total First 5 costs not to exceed \$1,499,995. If all three years of the contract are executed, that would be a total commitment of \$4,499,985 of First 5 Stanislaus funds. Because they are one-year agreements, funding approval for the First 5 share will come back to the Commission next fiscal year for action on the remaining renewal option. CSA is allocating \$900,000 for their portion of the one-year agreements and they will be taking their share of funding for annual approval to the Stanislaus County Board of Supervisors on an annual basis.

## Exhibit A.

FY 2022-2023 Partner Contract Schedule			
		First 5 Share	Total Award
Agency	Program Name	FY 22-23	FY 22-23
Aspiranet	Turlock Family Resource Center	\$ 174,872	\$ 288,166
Center for Human Services	Ceres Partnership for Healthy Children	\$ 165,769	\$ 261,477
Center for Human Services	Oakdale Family Resource Center	\$ 163,610	\$ 239,356
Center for Human Services	Westside Family Resource Center	\$ 278,273	\$ 349,333
Parent Resource Center	Parent Resource Center (Central Modesto)	\$ 342,113	\$ 584,740
Sierra Vista Child & Family Services	Hughson Family Resource Center	\$ 149,952	\$ 204,994
Sierra Vista Child & Family Services	North Modesto Family Resource Center	\$ 225,406	\$ 471,929
<b>Total</b>		<b>\$ 1,499,995</b>	<b>\$ 2,399,995</b>

- Funding of \$380,000 is also recommended to support new grant or funding opportunities for projects such as: innovation grants; parent café pilots; an Empire Pool/Regional Water Safety Training Center pilot. These funds are included in the Fiscal Year 2022-2023 budget and the individual projects would be brought back to the Commission for approval before funding is used.
- Funding of \$131,380 is included in the budget for contracts and service purchase orders to support various projects which align with the Strategic Plan:

*Contracts:* All dollar amounts that follow are not-to-exceed amounts. Funding of up to:

- \$4,800 for Benevate, Inc., for ongoing support and access to the Neighborly Software product to be used as a web-based data reporting portal for First 5 partner organizations. This application will streamline and standardize data reporting;
- \$11,580 for Be Strong Families to provide training services to support continued fidelity of the Parent Café program at DR FRCs as part of their scope of work in their agreements. Parent Cafés are one of the approved parenting programs in the scope of services;
- \$5,000 for Camille Mays to continue to provide facilitation of parenting education facilitator convenings. This project advances the First 5 Strategic Plan goal of capacity building;
- \$10,000 for Nancy Fisher to continue facilitation of First 5 priorities around the subject of systems-level, high-risk maternal supportive services and home visiting services in the community. This project advances the First 5 Strategic Plan goal of systems-level improvement of services;
- \$12,500 for Parent Resource Center to provide facilitation and technical assistance for PlanetBaby! facilitators. This project advances the First 5 Strategic Plan goal of capacity building;
- \$20,000 for RT Productions for video production of community education videos in English and Spanish that will be used for the PlanetBaby! support groups and The Family Network;
- \$20,000 for Takapa Media, Inc. to provide marketing and promotional services to support First 5 projects and activities;
- \$36,000 for training and materials to support continued fidelity of the Abriendo Puertas/Opening Doors parenting program at DR FRCs as part of their scope of work in their agreements; Abriendo Puertas/Opening Doors is one of the approved parenting programs in the scope of services; Training will also be made available to the Healthy Start FRC sites.

*Service Purchase Orders:* All dollar amounts that follow are not-to-exceed amounts. Funding of up to:

- \$7,000 for United Way of Stanislaus to perform database maintenance work for the First 5 web-based resource directory implemented on the First 5 website. This scope of work would also provide the opportunity for First 5 and United Way to share database information with each other to enhance the 0-5 resources available online for the community through both organizations;

- \$4,500 for Vanessa Audelo to provide training services to support continued fidelity of the Nurturing Parenting program at DR FRCs as part of their scope of work in their agreements. Nurturing Parenting is one of the approved parenting programs in the scope of services.

## Exhibit B.

FY 2022-2023 Service Purchase Orders/Contracts			
			Not to Exceed Amount
Vendor Name	Project	Type of Agreement	FY 22-23
Benevate, Inc. - Neighborly	Cloud-based Data Reporting Service	Contract	\$ 4,800
Be Strong Families	Parent Café Training	Contract	\$ 11,580
Camille Mays	Facilitation/Training	Contract	\$ 5,000
Nancy Fisher	High-Risk Maternal Supportive Services/Home Visiting	Contract	\$ 10,000
Parent Resource Center	PlanetBaby! Facilitation	Contract	\$ 12,500
RT Productions	Education Video Production	Contract	\$ 20,000
Takapa Media, Inc.	Media Communications	Contract	\$ 20,000
Tides Center - Abriendo Puertas/Opening Doors	Parenting Training & Materials	Contract	\$ 36,000
United Way of Stanislaus	Resource Database Maintenance	Service Purchase Order	\$ 7,000
Vanessa Audelo	Nurturing Parenting Training	Service Purchase Order	\$ 4,500
<b>Totals</b>			<b>\$ 131,380</b>

- Additional items in the Fiscal Year 2022-2023 budget include support for projects such as PlanetBaby!, the prenatal to age 1 support-groups; The Family Network, which is an online comprehensive resource destination for parenting tips, video resources, articles, events calendar and other resources; creation of materials for community education and promotion of positive parenting messages; funding to support conversion to an online-based customer survey tool for First 5 partners; community capacity building work; funded partner trainings, and more. Project service purchase orders and contracts would be brought to the Commission for future approval as needed.
- Total funding of \$23,500 will be allocated for English and Spanish Early Care and Education (ECE) trainings. \$5,000 for materials is budgeted to continue support of the Nurturing Parenting program at DR FRCs as part of their scope of work in their agreements. Nurturing Parenting is one of the approved parenting programs in the scope of services. \$7,500 is budgeted to support Creative Curriculum training for First 5 funded partners. Creative Curriculum is a standardized early learning curriculum used by the DR FRCs. \$35,000 is budgeted to enhance the First 5 kits for new parents distributed in the community. \$20,000 is budgeted to support community capacity building.
- The Fiscal Year 2022-2023 budget shows a projected addition of \$305,027 to fund balance at the fiscal year end. The ending fund balance is projected at \$11.7 million.
- Additional assumptions for the 2022-2023 budget are included in the attached Budget Assumption Worksheet.

### Long Range Financial Plan

The Long Range Financial Plan is submitted annually to the State and is an important planning document and fiscal tool for the Commission.

Some important elements and assumptions of the Long Range Financial Plan include:

- The Plan is a working document and is to guide long-range planning.
- The May 2021 State Department of Finance/First 5 California revenue projections for Stanislaus County have been used in the Long Range Financial Plan for the years they were available (2022-2023 through

2025-2026). First 5 Stanislaus revenue assumptions were used for 2026-2027 and 2027-2028 assuming a 2.9% decline.

- The Plan assume implementation of the tobacco flavors ban currently set to take effect in late 2022.
- The Plan continues to highlight long-term projected revenue declines.
- The Plan assumes contractors will spend 100% of their allocations in 2022-2023.
- The Plan reflects a minimum reserve of at least six months of budgeted revenue per Commission policy.

The Long Range Financial Plan will be monitored throughout the year. The plan is subject to change upon approval of the Commission as needed.

The Administrative and Financial Committee heard this item at their May 9<sup>th</sup> meeting.

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**STAFF RECOMMENDATIONS:**

1. Accept the Fiscal Year 2022-2023 Budget from staff.
2. Conduct a public hearing to consider the Fiscal Year 2022-2023 Budget and Long Range Financial Plan.
3. Direct and approve any changes the Commissioners choose to make to the Fiscal Year 2022-2023 Budget and adopt the Fiscal Year 2022-2023 budget.
4. Authorize the Commission Chair or designee to make necessary technical adjustments to implement the approved Fiscal Year 2022-2023 Budget.
5. Authorize staff to submit the proposed budget for appropriate inclusion in County budget and financial systems.
6. Adopt the financial projections for Fiscal Years 2023-2024 through 2027-2028 as the Commission's Long Range Financial Plan.
7. Authorize staff to work with vendors to develop budgets up to the contract amounts specified in Exhibit A.
8. Authorize staff to work with vendors to develop budgets up to the contract amounts specified in Exhibit B. (Exhibit A and Exhibit B voted on separately.)
9. Authorize the Commission Chair or designee to negotiate and execute one-year renewal agreements not to exceed amounts as detailed in Exhibit A, with a renewal option for year three.
10. Authorize the Commission Chair or designee to negotiate and execute service purchase orders or agreements not to exceed amounts as detailed in Exhibit B.

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**FISCAL IMPACT:**

The Fiscal Year 2022-2023 Budget contains projected expenses of \$4,584,280 with projected revenues of \$4,889,307 and a \$305,027 projected addition to fund balance. The projected Fiscal Year 2022-2023 ending fund balance is approximately \$11.7 million. Agreements and/or addendums between First 5 Stanislaus and program operators will be executed before funds are disbursed to program operators.

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**COMMISSION ACTION:**

On motion of Commissioner \_\_\_\_\_; Seconded by Commissioner \_\_\_\_\_  
and approved by the following vote:

Ayes: Commissioner(s): \_\_\_\_\_

Noes: Commissioner(s): \_\_\_\_\_

Excused or Absent Commissioner(s): \_\_\_\_\_

Abstaining: Commissioner(s): \_\_\_\_\_

1) \_\_\_\_\_ Approved as recommended.

2) \_\_\_\_\_ Denied.

3)\_\_\_\_\_ Approved as amended.

Motion:\_\_\_\_\_

Attest: \_\_\_\_\_  
Stephanie Loomis – Staff Services Coordinator

**STANISLAUS COUNTY CHILDREN & FAMILIES COMMISSION**

**Fiscal Year 2022/2023 Budget &**

**LONG RANGE FINANCIAL PLAN - FY 2022/2023 through FY 2027/2028**

	Actual FY 19/20	Actual FY 20/21	FY 21/22 Adopted Budget	FY 22/23 Budget	FY 23/24 Projection	FY 24/25 Projection	FY 25/26 Projection	FY 26/27 Projection	FY 27/28 Projection
<b>REVENUE</b>									
<i>Prop. 10 Tobacco Tax Revenue based on State Projections</i>									
Interest	\$ 256,739	\$ 20,615	\$ 80,000	\$ 67,500	\$ 66,825	\$ 66,157	\$ 65,495	\$ 64,840	\$ 64,192
Other State Revenue	\$ -	\$ 11,990	\$ 48,325	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tobacco Tax (Prop 10)	\$ 4,991,425	\$ 5,252,998	\$ 4,707,423	\$ 4,721,807	\$ 4,240,160	\$ 4,018,167	\$ 3,848,661	\$ 3,737,050	\$ 3,628,675
Other/Misc. Revenue	\$ 266,159	\$ 376,111	\$ 100,000	\$ 100,000	100,000	\$ 100,000	\$ -	\$ -	\$ -
<b>TOTAL REVENUE</b>	<b>\$ 5,514,322</b>	<b>\$ 5,661,714</b>	<b>\$ 4,935,748</b>	<b>\$ 4,889,307</b>	<b>\$ 4,406,985</b>	<b>\$ 4,184,324</b>	<b>\$ 3,914,156</b>	<b>\$ 3,801,889</b>	<b>\$ 3,692,867</b>
<b>EXPENDITURES</b>									
<b>Program</b>									
Result Area Contracts	\$ 3,126,324	\$ 2,659,441	\$ 2,843,398	\$ 2,547,813	\$ 2,400,000	\$ 2,515,000	\$ 2,635,750	\$ 2,762,538	\$ 2,895,664
Contract Adjustments (Contingency)	\$ -	\$ -	\$ 500,000	\$ 500,000	\$ 500,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Salaries & Benefits	\$ 228,994	\$ 263,357	\$ 262,385	\$ 243,155	\$ 263,540	\$ 276,190	\$ 288,903	\$ 302,203	\$ 316,119
Services & Supplies	\$ 137,566	\$ 431,498	\$ 620,605	\$ 586,428	\$ 301,385	\$ 317,962	\$ 335,449	\$ 345,513	\$ 355,878
<b>Total Expenditures - Program</b>	<b>\$ 3,492,884</b>	<b>\$ 3,354,297</b>	<b>\$ 4,226,387</b>	<b>\$ 3,877,396</b>	<b>\$ 3,464,925</b>	<b>\$ 3,209,152</b>	<b>\$ 3,360,102</b>	<b>\$ 3,510,254</b>	<b>\$ 3,667,661</b>
<b>Evaluation</b>									
Salaries & Benefits	\$ 3,022	\$ 13,453	\$ 14,184	\$ 13,895	\$ 15,059	\$ 15,782	\$ 16,509	\$ 17,269	\$ 18,064
Services & Supplies	\$ 2,189	\$ 4,011	\$ 27,468	\$ 28,281	\$ 17,222	\$ 18,169	\$ 19,169	\$ 19,744	\$ 20,336
<b>Total Expenditures - Evaluation</b>	<b>\$ 5,211</b>	<b>\$ 17,464</b>	<b>\$ 41,651</b>	<b>\$ 42,176</b>	<b>\$ 32,281</b>	<b>\$ 33,952</b>	<b>\$ 35,677</b>	<b>\$ 37,012</b>	<b>\$ 38,400</b>
<b>Administration</b>									
Salaries & Benefits	\$ 317,976	\$ 316,079	\$ 432,580	\$ 437,676	\$ 474,371	\$ 497,142	\$ 520,025	\$ 543,965	\$ 569,013
Services & Supplies	\$ 62,284	\$ 67,762	\$ 195,007	\$ 227,032	\$ 542,494	\$ 572,331	\$ 603,809	\$ 621,923	\$ 640,581
<b>Total Expenditures - Administration</b>	<b>\$ 380,259</b>	<b>\$ 383,841</b>	<b>\$ 627,588</b>	<b>\$ 664,708</b>	<b>\$ 1,016,865</b>	<b>\$ 1,069,473</b>	<b>\$ 1,123,834</b>	<b>\$ 1,165,888</b>	<b>\$ 1,209,594</b>
<b>Total Expenditures</b>	<b>\$ 3,878,355</b>	<b>\$ 3,755,602</b>	<b>\$ 4,895,626</b>	<b>\$ 4,584,280</b>	<b>\$ 4,514,071</b>	<b>\$ 4,312,576</b>	<b>\$ 4,519,613</b>	<b>\$ 4,713,154</b>	<b>\$ 4,915,655</b>
<b>NET INCREASE (DECREASE) TO FUND BALANCE</b>	<b>\$ 1,635,967</b>	<b>\$ 1,906,113</b>	<b>\$ 40,122</b>	<b>\$ 305,027</b>	<b>\$ (107,086)</b>	<b>\$ (128,252)</b>	<b>\$ (605,457)</b>	<b>\$ (911,264)</b>	<b>\$ (1,222,788)</b>
<b>Beginning Fund Balance</b>	<b>\$ 6,519,670</b>	<b>\$ 8,155,637</b>	<b>\$ 9,352,488</b>	<b>\$ 11,387,436</b>	<b>\$ 11,692,463</b>	<b>\$ 11,585,377</b>	<b>\$ 11,457,125</b>	<b>\$ 10,851,668</b>	<b>\$ 9,940,404</b>
<b>ENDING FUND BALANCE*</b>	<b>\$ 8,155,637</b>	<b>\$ 10,061,750</b>	<b>\$ 9,392,610</b>	<b>\$ 11,692,463</b>	<b>\$ 11,585,377</b>	<b>\$ 11,457,125</b>	<b>\$ 10,851,668</b>	<b>\$ 9,940,404</b>	<b>\$ 8,717,616</b>

# Stanislaus County Children and Families Commission

## Budget Assumptions May 24, 2022

### Fiscal Year 2021-2022 Year End Projections

- Revenue
  - Estimated revenue is projected to finish ahead of budget as a result of higher than projected Prop 56 revenue and better than projected Prop 10 revenue;
  - Interest income is trending at .85% return.
- Contracts
  - Most contractors are expected to expend close to 100% of their contract amount.
- Expenses
  - Estimated expenses are projected to finish under budget.

### Budget Estimates & Projection for Fiscal Year 2022-2023

- Revenue
  - Prop 10/56 revenue projections are provided by Department of Finance & First 5 California. The most current projections are as of May 2021 and are recommended by the State to be used for projections.
  - Total revenue includes the combined Prop 10/56 projections from the State, \$100,000 of funding from Sunlight Giving, interest income and some smaller revenue sources.
  - Interest Income – Assumption used of .75% return on the annual fund balance based on available County Treasury information.
- Salaries and Benefits
  - Allocated staffing positions remain unchanged at 4.5 allocated positions
    - i. 1 Executive Director
    - ii. 1 Confidential Assistant
    - iii. 1 Staff Services Coordinator
    - iv. 1 Accountant III
    - v. 0.5 Account Clerk III
- Shared costs for Services and Supplies are budgeted and spread accordingly in the following cost categories:
  - Administration 63%
  - Evaluation 2%
  - Program 35%
- Program Cost category for State reporting:
  - Program contracts and the Early Childhood Education (ECE) Conferences are budgeted in total at \$2,571,313, with \$2,547,813 for service provider contracts and \$23,500 for English and Spanish ECE conferences (*Due to State Reporting Requirements*,



*historically the ECE conference is budgeted with contracts, although there is no contract.)*

- Contract expenditures are estimated at a 100% expenditure rate