

**First 5 Alameda County  
Long Range Financial Plan**  
*Dollars in Thousands*

**Appendix B**  
**Approved - June 2008**  
Agenda Item 5

	2005-09 Strategic Plan		2009-13 Strategic Plan				2013 - 2019 Strategic Plan					
	2007/08 Budget	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
<b>Sustainability Fund</b>	53,785.1	50,439.3	43,722.1	39,517.0	33,404.6	28,895.0	23,998.1	20,723.6	17,081.1	15,079.5	12,728.0	12,035.3
<b>Revenue</b>												
<b>Tobacco Tax</b>	17,141.3	16,712.8	16,294.9	15,887.6	15,490.4	15,103.1	14,725.5	14,357.4	13,998.5	13,648.5	13,307.3	12,974.6
<b>School Readiness</b>	1,500.0	1,500.0	1,500.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>CARES</b>	744.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>AB212</b>	2,009.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Fiscal Leveraging</b>	650.0	570.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
<b>Other</b>	109.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Interest and Investment Revenue</b>	1,678.7	1,008.8	874.4	790.3	668.1	577.9	480.0	414.5	341.6	301.6	254.6	240.7
<b>Total Funds</b>	75,939.3	69,222.1	62,017.0	55,904.6	49,395.0	44,498.1	39,223.6	35,581.1	31,579.5	29,228.0	26,535.3	25,510.0
<b>Expenses</b>												
<b>Programs</b>	23,000.0	23,000.0	20,000.0	20,000.0	18,000.0	18,000.0	16,000.0	16,000.0	14,000.0	14,000.0	12,000.0	12,000.0
<b>Administration</b>	1,300.0	1,300.0	1,300.0	1,300.0	1,300.0	1,300.0	1,300.0	1,300.0	1,300.0	1,300.0	1,300.0	1,300.0
<b>Evaluation</b>	1,200.0	1,200.0	1,200.0	1,200.0	1,200.0	1,200.0	1,200.0	1,200.0	1,200.0	1,200.0	1,200.0	1,200.0
<b>Subtotal Expenses</b>	25,500.0	25,500.0	22,500.0	22,500.0	20,500.0	20,500.0	18,500.0	18,500.0	16,500.0	16,500.0	14,500.0	14,500.0
<b>Total Expenses</b>	25,500.0	25,500.0	22,500.0	22,500.0	20,500.0	20,500.0	18,500.0	18,500.0	16,500.0	16,500.0	14,500.0	14,500.0
<b>Ending Fund Balance (Unobligated)</b>	<b>50,439.3</b>	<b>43,722.1</b>	<b>39,517.0</b>	<b>33,404.6</b>	<b>28,895.0</b>	<b>23,998.1</b>	<b>20,723.6</b>	<b>17,081.1</b>	<b>15,079.5</b>	<b>12,728.0</b>	<b>12,035.3</b>	<b>11,010.0</b>

Assumptions:

- Tobacco tax projection declines at the rate of 2.5% annually, based on local trend analysis.
- Local investment declines commensurate with the sunset of state funding initiatives such as CARES, Health Access for All and School Readiness.  
\$740,000 decrease due to CARES sunset, \$1.6 million decreases due to School Readiness sunset, and \$35,000 decreases with the Health Access for All sunset. The total decrease is \$2,375,000.
- Fiscal Leveraging is retained as First 5 Alameda County continues to claim MAA and TCM, and potentially other sources. If programs are eliminated that generate claiming revenue (such as Special Start, or the HOC function, or CAS, etc.), then this assumption will require revision.
- Investment revenue is projected with a 2% return on the Beginning Fund Balance (the reserve or Sustainability Fund), based on a volatile market environment. As the Sustainability Fund is used, the return decreases even more.
- 2007-08 and 2008-08 Program Expenses are reduced from \$24 million to \$23 million, based on a more realistic estimation of actual expenses.
- Administration and Evaluation expenses are frozen at the 2007-08 levels, based on realistic estimation of actual expenses in 2007-08 and implementation of tight cost controls in subsequent years.

Program Shifts Summary

- Program decreases by \$3 million in 2009.
- Program decreases by \$2 million in 2011.
- Program decreases by \$2 million in 2013.
- Program decreases by \$2 million in 2015.
- Program decreases by \$2 million in 2017, and stays stable in 2017 and beyond. Total expenses do not exceed the total tobacco tax allocation.