

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

**Appendix D**  
Agenda Item 12

|                            | 2005-09 Strategic Plan |                 | 2009-13 Strategic Plan |                 |                 |                 | 2013 - 2017 Strategic Plan |                 |                 |                | 2007-19 Strategic Plan |                |
|----------------------------|------------------------|-----------------|------------------------|-----------------|-----------------|-----------------|----------------------------|-----------------|-----------------|----------------|------------------------|----------------|
|                            | 2007/08 Actuals        | 2008/09 Budget  | 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               | 50,222.3        | 42,396.1               | 36,541.0        | 28,778.6        | 24,119.0        | 19,072.1                   | 15,897.6        | 12,355.1        | 10,453.5       | 8,202.0                | 8,609.3        |
| <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            | 1,500.0                | 1,500.0        |
| <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/Investment</b> | 1,678.7                | 1,004.4         | 847.9                  | 730.8           | 575.6           | 482.4           | 381.4                      | 318.0           | 247.1           | 209.1          | 164.0                  | 172.2          |
| <b>Total Funds</b>         | 75,939.3               | 69,005.1        | 60,691.0               | 52,928.6        | 44,769.0        | 39,722.1        | 34,297.6                   | 30,755.1        | 26,853.5        | 24,602.0       | 23,509.3               | 23,584.0       |
| <b>Expenses</b>            |                        |                 |                        |                 |                 |                 |                            |                 |                 |                |                        |                |
| <b>Programs</b>            | 23,072.0               | 23,400.0        | 21,300.0               | 21,300.0        | 18,000.0        | 18,000.0        | 16,000.0                   | 16,000.0        | 14,000.0        | 14,000.0       | 13,000.0               | 13,000.0       |
| <b>Administration</b>      | 1,544.0                | 1,848.0         | 1,600.0                | 1,600.0         | 1,500.0         | 1,500.0         | 1,300.0                    | 1,300.0         | 1,300.0         | 1,300.0        | 1,000.0                | 1,000.0        |
| <b>Evaluation</b>          | 1,101.0                | 1,361.0         | 1,250.0                | 1,250.0         | 1,150.0         | 1,150.0         | 1,100.0                    | 1,100.0         | 1,100.0         | 1,100.0        | 900.0                  | 900.0          |
| <b>Subtotal Expenses</b>   | 25,717.0               | 26,609.0        | 24,150.0               | 24,150.0        | 20,650.0        | 20,650.0        | 18,400.0                   | 18,400.0        | 16,400.0        | 16,400.0       | 14,900.0               | 14,900.0       |
| <b>Total Expenses</b>      | 25,717.0               | 26,609.0        | 24,150.0               | 24,150.0        | 20,650.0        | 20,650.0        | 18,400.0                   | 18,400.0        | 16,400.0        | 16,400.0       | 14,900.0               | 14,900.0       |
| <b>Ending Fund Balance</b> | <b>50,222.3</b>        | <b>42,396.1</b> | <b>36,541.0</b>        | <b>28,778.6</b> | <b>24,119.0</b> | <b>19,072.1</b> | <b>15,897.6</b>            | <b>12,355.1</b> | <b>10,453.5</b> | <b>8,202.0</b> | <b>8,609.3</b>         | <b>8,684.0</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.
- 2007-08 and 2008-09 **Program Expenses** are reduced from \$24 million to \$23 million, based on actual expenses (2007-08) and budget (2008-09).
- Administration expenses** represent actual 2007-08 figures and budgeted 2008-09 figures. 2009-11 figures decrease by 13%, then decrease again in 2011-13.
- Evaluation expenses** represent actual 2007-08 figures and budgeted 2008-09 figures. 2009-13 figures decrease by 8%, then decrease again in 2011-13.
- 2009-13 Program Expenses** decrease to \$21.3 million, which is a 9% decrease from 2008-09. Another decrease to \$18 million occurs in 2011-13.
- The Sustainability Fund** is extended to include a period of 2017-19, wherein Revenue and Expenses are in closer alignment.