



To: First 5 Alameda County Executive Committee

From: Janis Burger, Deputy Director

Date: March 20, 2009

Subject: Contingency Plan if Proposition 10 funds are redirected by the passage of Measure 1D

REQUESTED ACTION

To review and give feedback to the following recommendation in preparation for presentation to the Commission on March 26, 2009

BACKGROUND

As part of the State of California budget adoption process, the government placed six measures on the May 19 special election ballot that would generate revenue to close the state's budget gap. Measure 1D redirects Proposition 10 funds for five years, resulting in a reduction of up to 65% of the monthly tobacco tax allocation to local First 5 agencies. If this occurred, there would be insufficient funds to implement the proposed 2009-13 Strategic Plan. The following is a recommendation of a contingency plan in the event that the ballot measure 1D passes.

RECOMMENDATION

It is recommended that the following be adopted by the Commission, to be implemented only in the event that Measure 1D passes on May 19, 2009.

1. Adoption of one-year Strategic Plan, pursuant to statutory requirements, on May 28, 2009. The Strategic Plan would include one year of program activities that have already been determined by the 2009-13 Strategic Planning process. The rationale for keeping this stable program level is
 - a. to give the Commission adequate time to develop priorities for the reduced funding level,

- b. to give community agencies and programs adequate time to plan transition strategies to minimize disruptions to high risk families,
 - c. to provide adequate time to identify alternative sources of funding for programs, such as federal stimulus, IV-E savings, Substance Abuse and Mental Health Administration funding, and revenue maximization through fiscal leveraging,
 - d. to provide adequate time to develop and implement a organizational contraction based on Commission priorities.
2. Adoption of proposed budget on May 28th, at the level of funding proposed in the first year of the 2009-13 Strategic Plan.
 3. Adoption of revised Long Range Financial Plan incorporating an accelerated use of the Sustainability Fund for 2009-10. It is a statutory requirement that a Long Range Financial Plan be adopted in June 2009 because the last Plan was formally adopted in June 2008, and one must be adopted annually.
 4. Some minor adjustments to the plan would be made for programs that were proposed in the 2009-13 Strategic Plan process that required a multi-year ramp up. A report on the minor adjustments would be presented to the Commission on June 25, 2009.
 5. Planning will occur in June, July, August and September to determine revised program priorities based on a significantly reduced funding level. This planning will result in a revision to the Strategic Plan, effective 2010-2013. The three-year Strategic Plan proposal will be brought to the Commission for the first reading in October 2010 with final adoption in December 2010.

REQUESTED ACTION

To review and give feedback to the following recommendation in preparation for presentation to the Commission on March 26, 2009

Submitted by:

Reviewed by:

Janis Burger,
Deputy Director

Mark Friedman,
Chief Executive Officer